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TITLE 7—AGRICULTURE

Chapter I—Agricultural Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

PART 53—MEATS, PREPARED MEATS, AND MEAT PRODUCTS (GRADING, CERTIFICATION, AND STANDARDS)

SUBPART B—STANDARDS

OFFICIAL UNITED STATES STANDARDS FOR GRADES OF SLAUGHTER CATTLE

On April 25, 1956, a notice of proposed rule making was published in the FEDERAL REGISTER (21 F. R. 2662) regarding proposed amendments of the official United States standards (7 CFR 53.203, 53.204) for grades of certain slaughter cattle (steers, heifers, and cows) under the provisions of Sections 203 and 205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1622 and 1624) and the general language in the item for the Agricultural Marketing Service contained in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1956 (69 Stat. 56–57).

After due consideration of all relevant material submitted pursuant to the notice and under the aforesaid sections of the Agricultural Marketing Act of 1946 and the item for the Agricultural Marketing Service contained in the Department of Agriculture and Farm Credit Appropriation Act, the standards for grades of slaughter cattle are amended as follows:

1. In § 53.203, paragraph (b) (2) is amended to read as follows:

(2) Since evidences of maturity in the beef carcass vary among animals of the same approximate age, only general age limitations can be used for descriptive standards for slaughter cattle. Approximate maximum age limitations for the specified grades of steers, heifers and cows are as follows: Prime—36 months; Choice—42 months; Good—48 months; and Standard—48 months. The Commercial grade for steers, heifers, and cows applies only to cattle over approximately 48 months. There are no age limitations for the Utility, Cutter and Canner grades of steers, heifers, and cows.

2. In § 53.204, paragraphs (d), (e), (f), and (g) are redesignated (e), (f), (g), and (h), respectively.

3. A new paragraph (d) is inserted in § 53.204, and redesignated paragraph (e) of § 53.204 is amended, to read, respectively, as follows:

(d) *Standard.* Cattle possessing the minimum qualifications for the Standard grade may differ somewhat in appearance because of the numerous possible combinations of age, conformation, finish, and quality. The maximum maturity for steers, heifers, and cows of the Standard grade is approximately 48 months. In conformation, Standard grade cattle tend to be slightly rangy, thin fleshed, slightly narrow through the crops, back, and loin, somewhat prominent at the hips, and shallow in the twist and quarter. The loin, rump, and rounds appear flat with no evidence of fullness. Cattle ranging from 30 to 48 months of age carry a slightly thin fat covering which is primarily in evidence over the back, loin, and ribs. The brisket, rear flanks, and cod or udder show only slight fullness. Cattle under 30 months of age carry only a thin covering of fat which is largely restricted to the back, loin, and upper rib. Standard grade cattle frequently have the heavy bone and prominent hips and shoulders associated with coarseness or the small bone, tight hide, and angularity denoting overrefinement.

(e) *Commercial.* The Commercial grade for steers, heifers, and cows is limited to cattle over approximately 48 months of age and, therefore, too advanced in maturity for the Good or Standard grades. Cattle possessing the minimum qualifications for Commercial grade may vary slightly in appearance because of different possible combinations of the grade factors. In conformation, Commercial grade cattle tend to be slightly rangy and slightly thin fleshed. They appear deep through the fore-rib and moderately wide over the back and loin. The hips and shoulders are prominent, and the quarters are thin and shallow with no apparent bulge or fullness. Cattle near the minimum maturity for the grade carry a slightly thick fat covering over the back, ribs, loin, and rump. Fully mature cattle usually carry at least a moderately thick fat covering

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FEDERAL REGISTER

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A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

and considerable patchiness is evident about the tailhead. The brisket, flanks, and cod or udder appear slightly to moderately full. Commercial grade cattle tend to be rather coarse and rough with prominent shoulders and hips, slightly coarse bone, and moderately thick, heavy hide.

This order shall become effective June 1, 1956.

This order divides the Commercial grade for slaughter steers, heifers, and cows into two grades, Standard and Commercial, to conform with the revised standards for carcass beef which are to become effective on June 1, 1956. It is desirable that the revised standards for slaughter cattle and carcass beef become effective concurrently to avoid a variance between the market grade for slaughter cattle and the grade of beef derived from such cattle. Accordingly, good cause is found under section 4 of

the Administrative Procedure Act (5 U. S. C. 1003) for issuance of this order effective less than 30 days after its publication in the FEDERAL REGISTER.

(Sec. 205, 60 Stat. 1090; 7 U. S. C. 1624)

Done at Washington, D. C., this 21st day of May 1956.

[SEAL] ROY W. LENNARTSON, *Deputy Administrator.*

[F. R. Doc. 56-4095; Filed, May 23, 1956; 8:52 a. m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Plum Order 1]

PART 936—FRESH BARTLETT PEARS, PLUMS, AND ELBERTA PEACHES GROWN IN CALIFORNIA

REGULATION BY GRADES AND SIZES

§ 936.524 *Plum Order 1*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 36, as amended (7 CFR Part 936), regulating the handling of fresh Bartlett pears, plums, and Elberta peaches grown in the State of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the Plum Commodity Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of plums of the variety hereinafter set forth, and in the manner herein provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than May 25, 1956. A reasonable determination as to the supply of, and the demand for, such plums must await the development of the crop thereof, and adequate information thereon was not available to the Plum Commodity Committee until May 18, 1956; recommendation as to the need for, and the extent of regulation of shipments of such plums was made at the meeting of said committee on May 18, 1956, after consideration of all available information relative to the supply and demand conditions for such plums, at which time the recommendation and supporting information was submitted to the Department; shipments of the current crop of such plums are expected to begin on or about May 29, 1956; this section should be applicable to all such shipments in order to effectuate the declared policy of the act; and compliance with the provisions of this section will not require of handlers any preparation therefore which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period beginning at 12:01 a. m., P. s. t., May 25, 1956, and ending at 12:01 a. m., P. s. t., November 1, 1956, no shipper shall ship from any shipping point during any day any package or container of Beauty plums unless:

(i) Such plums grade at least U. S. No. 1;

(ii) The plums are, except to the extent otherwise permitted under this paragraph, of a size not smaller than a size that will pack a 4 x 5 standard pack; and

(iii) The diameters of the smallest and largest plums in the package or container do not vary more than one-fourth inch: *Provided,* That a total of of not more than five (5) percent, by count, of the plums in the package or container may fail to meet this requirement.

(2) During each day of the aforesaid period, any shipper may ship from any shipping point a quantity of such plums, by number of packages or containers, which are of a size smaller than a size that will pack a 4 x 5 standard pack but are not of a size smaller than a size that will pack a 5 x 5 standard pack if said quantity does not exceed one hundred (100) percent of the number of the same type of packages or containers of plums which are of a size not smaller than a size that will pack a 4 x 5 standard pack, as aforesaid.

(3) If any shipper, during any day of the aforesaid period, ships from any shipping point less than the maximum allowable quantity of such plums that may be of a size smaller than a size that will pack a 4 x 5 standard pack, the quantity of the undershipment of such plums may be shipped by such shipper only from such shipping point during the next two succeeding calendar days in addition to the quantities of such plums of a size smaller than a size that will pack a 4 x 5 standard pack that such shipper could have shipped from such shipping point on such two succeeding calendar days if there had been no undershipment.

(4) Section 936.143 of the rules and regulations, as amended (§ 936.100 et seq.), sets forth the requirements with respect to the inspection and certification of shipments of fruit covered by this section. Such section also prescribes the conditions which must be met if any shipment is to be made without prior inspection and certification. Notwithstanding that shipments may be made without inspection and certification, each shipper shall comply with all grade and size regulations applicable to the respective shipment.

(5) As used herein, "U. S. No. 1" and "serious damage" shall have the same meaning as set forth in the revised United States Standards for plums and prunes (fresh) (§§ 51.1520 to 51.1530 of this title); "standard pack" shall have the applicable meanings of the terms "standard pack" and "equivalent size," and "diameter" shall have the meaning of that term as used in § 936.142 of the aforesaid amended rules and regulations; and all other terms shall have the same meaning as when used in the amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: May 22, 1956.

[SEAL] S. R. SMITH, *Director, Fruit and Vegetable Division, Agricultural Marketing Service.*

[F. R. Doc. 56-4129; Filed, May 23, 1956; 9:07 a. m.]

[Plum Order 2]

PART 936—FRESH BARTLETT PEARS, PLUMS, AND ELBERTA PEACHES GROWN IN CALIFORNIA

REGULATION BY GRADES

§ 936.525 *Plum Order 2*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 36, as amended (7 CFR Part 936), regulating the handling of fresh Bartlett pears, plums, and Elberta peaches grown in the State of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and upon the basis of the recommendations of the Plum Commodity Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of plums of the Burmosa, Earliana, Gros Hungarian, Laroda, Queen Ann, Red Heart, Standard, Satsuma, and Splendor varieties (hereinafter referred to as "miscellaneous varieties of plums"), in the manner herein provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than May 25, 1956. A reasonable determination as to the supply of, and the demand for, such plums must await the development of the crop thereof, and adequate information thereon was not available to the Plum Commodity Committee until May 18, 1956; recommendation as to the need for, and the extent of, regulation of shipments of such plums was made at the meeting of said committee on May 18, 1956, after consideration of all available

information relative to the supply and demand conditions for such plums, at which time the recommendation and supporting information were submitted to the Department; shipments of the current crop of the miscellaneous varieties of plums are expected to begin on or about May 29, 1956, and this section should be applicable, insofar as practicable, to all such shipments in order to effectuate the declared policy of the act; and compliance with the provisions of this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period beginning at 12:01 a. m., P. s. t., May 25, 1956, and ending at 12:01 a. m., P. s. t., November 1, 1956, no shipper shall ship any package or container of miscellaneous varieties of plums unless:

(i) Such plums grade at least U. S. No. 1.

(2) Section 936.143 of the rules and regulations, as amended (§ 936.100 et seq.) sets forth the requirements with respect to the inspection and certification of shipments of plums. Such section also prescribes the conditions which must be met if any shipment is to be made without prior inspection and certification. Notwithstanding that shipments may be made without inspection and certification, each shipper shall comply with all grade regulations applicable to the respective shipment.

(3) As used in this section, "U. S. No. 1" shall have the same meaning as set forth in the revised United States Standards for plums and prunes (fresh) §§ 51.1520 to 51.1530 of this title); and all other terms shall have the same meaning as when used in the amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: May 22, 1956.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 56-4130; Filed, May 23, 1956; 9:07 a. m.]

TITLE 12—BANKS AND BANKING

Chapter III—Federal Deposit Insurance Corporation

PART 327—ASSESSMENTS

ASSESSMENT DECISIONS

The following assessment decisions and amendments of assessment decisions have been adopted:

1. Section 327.102 is amended by adding Assessment Decision No. 2 and the section is revised to read as follows:

§ 327.102 *Assessment Decision No. 2; acceptances; deposits made prior to maturity.* Funds received by a bank to meet its acceptance at maturity, not in excess of the amount due on the acceptance, need not be included in the assessment base, provided they are not subject to withdrawal by the obligor and are carried in a special non-interest-bearing account designated to properly show their purposes or are credited to customers' liability account for acceptances. This includes funds received through charges made to the depositor's account.

2. Section 327.121 is amended by adding Assessment Decision No. 21 and the section is revised to read as follows:

§ 327.121 *Assessment Decision No. 21; cash funds received and held as security to indebtedness to the bank.* (a) Cash funds which are received and held solely for the purpose of securing a liability to the bank may be excluded from the assessment base provided all of the following requirements are met:

(1) The funds excluded are not in excess of the liability to the bank.

(2) The funds are not subject to withdrawal by the obligor.

(3) The funds are carried in a special non-interest-bearing account designated to properly show their purpose.

(b) Funds transferred by the reporting bank from an existing deposit account to such a special security account are "received" within the meaning of that term as used in this decision. However, the mere assignment or blocking of an existing deposit account, whether that account be a checking, savings, time, or other type of deposit account, does not come within the exemption. The special security account above described may be maintained in the form of a non-interest-bearing certificate of deposit, officer's check, or certified check, provided it otherwise meets the above requirements.

(c) Although the cash funds meeting the above requirements may be excluded from the reported deposits, the reporting bank may include the funds in the deposit liabilities on the Certified Statement and take a deduction for them as nonassessable items in the space provided on the Certified Statement with a brief description of their nature.

(d) Examples of cash funds held as security which are exempt from assessment, provided the above requirements are met, include the following:

(1) Repayments on installment loans held as security for later application on the indebtedness. (See § 327.225 Assessment Decision No. 125, Personal Loan Repayments.)

(2) Funds received and held to meet payment of an acceptance at its maturity. (See § 327.102 Assessment Decision No. 2, Acceptances, Deposits Made Prior to Maturity.)

(3) Funds received to secure a reimbursement agreement for the issuance of a commercial letter of credit. (See § 327.209 Assessment Decision No. 109, Letters of Credit, Commercial.)

(4) Proceeds from the sale of collateral and cash dividends received on such collateral held as security pending application on the indebtedness or the purchase of substitute collateral.

(5) Funds received and held as security in connection with discounted paper commonly known as "Dealers Reserves". (See § 327.152 Assessment Decision No. 52, Dealers Reserves.)

3. Section 327.139 is amended to read as follows:

§ 327.139 *Assessment Decision No. 39; checks and drafts received for the sale or other disposition of the bank's own assets.* (a) Checks, drafts, or instruments drawn on persons or banks other than the reporting bank, received by the reporting bank in payment for the sale or other disposition of any of its assets are not eligible for deduction by the reporting bank as cash items or otherwise. (See footnote 9.)

(b) The following are illustrations of items which are not eligible for deduction as cash items or otherwise:

(1) A check or draft received by the reporting bank in the sale of bonds, mortgages, or any of its other assets including a check or draft received for bonds owned by it which have been called for payment.

(2) A check or draft received from the Commodity Credit Corporation for the transfer of notes to it, or any sight draft drawn by the bank on the Commodity Credit Corporation for the amount of such notes.

(3) A check or draft received for tax anticipation warrants owned by the bank.

(c) Although no deduction may be claimed for instruments received for the sale or other disposition of an asset of the bank, it is permissible to claim a deduction for instruments drawn on other banks which are received as a payment on indebtedness to the bank. Thus, a check drawn on another bank received by the reporting bank to be applied on a promissory note to the reporting bank is eligible for deduction.

4. Section 327.148 is amended to read as follows and the note following the section is deleted:

§ 327.148 *Assessment Decision No. 48; construction loans.* (a) When granting construction loans or making commitments therefor, banks normally require the borrower to execute and deliver a note and mortgage for the estimated maximum amount of the loan before construction begins, and the amount of such loan or commitment is then credited to an account variously entitled "construction loans", "incomplete mortgage loans", or similar designation.

(b) If the balance in this account represents merely a commitment to make a loan and the borower is liable only for the amounts actually advanced from time to time with interest thereon from the date of such advancement, then the balance need not be included in the deposits for the assessment base.

(c) If the balance in this account represents the proceeds of a loan, then such balance must be included in the deposit liabilities for the assessment base and may not be claimed as a deduction, either in whole or in part, unless such balance is held solely for the purpose of securing a liability to the bank.

(d) Where the borrower has deposited his own funds to this or a like account, the balance representing such borrower's own funds must likewise be included in the deposit liabilities for the assessment base unless such funds are held

* For the period from July 1, 1950, through the December 31, 1953, base day such items were eligible for deduction as cash items.

solely for the purpose of securing a liability to the bank.

(e) The balance (or balances) mentioned in paragraphs (c) and (d) of this section may be excluded from the assessment base only if it is received and held solely for the purpose of securing a liability to the bank, is not subject to withdrawal by the obligor; and is carried in a special non-interest-bearing account designated to properly show its purpose, and then only in an amount not in excess of the liability which it secures. Upon the termination of the liability for which such balance is held as security, the funds in such an account must be included in the assessment base.

5. Section 327.150 is amended to read as follows:

§ 327.150 *Assessment Decision No. 50; coupons or bonds owned by the reporting bank.* (a) Coupons and bonds owned by the reporting bank which are forwarded for collection, or the checks and drafts received for the sale or redemption thereof, are not eligible for deduction as a cash item or otherwise. Thus, coupons owned by the reporting bank which are forwarded for collection on the base day or at any other time may not be included in the deductions. Similarly, bonds sold or called for redemption which are forwarded for collection or the check or draft received therefor are ineligible for deduction in any manner. (See § 327.139 Assessment Decision No. 39, Checks and Drafts Received for the Sale or Other Disposition of the Bank's Own Assets.)

(b) Only cash items which the bank pays or credits to a deposit account are eligible for deduction. Bonds and coupons owned by the reporting bank itself, or the remittance received in payment therefor, are not paid by the bank or credited to deposit accounts and are ineligible for deduction.

6. Section 327.169 is amended to read as follows:

§ 327.169 *Assessment Decision No. 69; drafts with bonds and coupons attached.* (a) Drafts with bonds and/or coupons attached payable upon presentation which are paid by the reporting bank or credited to deposit accounts are eligible for deduction as cash items.

(b) Drafts constituting or evidencing loans are not eligible for deduction as cash items or otherwise.

7. Section 327.174 is amended to read as follows:

§ 327.174 *Assessment Decision No. 74; drafts payable on presentation with bills of lading attached.* (a) Commodity drafts, that is, drafts with shipping documents attached, if payable upon presentation and if they have been paid or credited to deposit accounts subject to final payment, are eligible for deduction as cash items. For the purpose of claiming deductions, if the alternate (bb) method is used, they may be considered as uncollected for the time required to effect collection. If the collecting bank forwards a check or draft in payment, such check or draft received by the reporting bank is not a cash item eligible for deduction.

(b) Commodity drafts are known under many names, such as "livestock drafts", "cotton drafts", "documentary drafts", "peanut drafts", "fruits and vegetable drafts", etc. The procedure in handling all of these types of drafts is, nevertheless, the same.

(c) Only drafts payable upon presentation may be claimed as a deduction. Accordingly, drafts payable at some future date or upon arrival of a car, etc., are ineligible for deduction. (See § 327.168 Assessment Decision No. 68, Drafts With Bills of Lading Attached Not Payable Upon Presentation.)

(d) Drafts constituting or evidencing loans are not eligible for deduction as cash items or otherwise.

8. Section 327.177 is amended to read as follows:

§ 327.177 *Assessment Decision No. 77; due bills for local cash items.* (a) Cash Items Held for Clearings, Local Exchanges, consist of items paid or credited to deposit accounts by the reporting bank which are drawn on banks, persons, or corporations in the same city or local clearing area where the reporting bank is located which are held for clearings at the close of the books on the assessment base day. (See § 327.127 Assessment Decision No. 27, Cash Items Deductions, Local.)

(b) The settlement with other local banks is customarily made at some designated hour(s), such as 10:00 a. m., but the actual physical delivery of the cash items may have been made at an earlier hour and possibly in the evening of the preceding day. When the local cash items are thus delivered to the drawee bank prior to the actual settlement, the delivering bank may receive some type of ticket or instrument which is commonly referred to as a "due bill".

(c) The physical delivery of local cash items to the banks on which drawn does not preclude such items from being considered as held for clearings by the delivering bank, and thus eligible for deduction by it, provided the following factors are present:

(1) The items were received in the usual course of business on the base day before the close of the books on that day and paid or credited to deposit accounts.

(2) The due bill received constitutes in fact a trust receipt for the items and ownership of the items is retained by the delivering bank until settlement is made therefor.

(3) No change is made in the normal procedure on base days.

(d) Other types of instruments may be denominated "due bills" but these are not "due bills" within that term as used in this decision. For instance, an instrument given for a check returned from clearings because of insufficient funds is not a due bill eligible for deduction as a cash item (See § 327.236 Assessment Decision No. 136, Redemption Checks); nor is an instrument given by a clearing house for items received for collection eligible for deduction as a cash item. (See § 327.137 Assessment Decision No. 37, Checks or Drafts Received in Payment of Clearings.)

9. Section 327.178 is amended to read as follows:

§ 327.178 *Assessment Decision No. 78; escrow funds.* Funds held in escrow must be included in the assessment base unless they are held solely as security for a liability to the bank as provided in § 327.121 Assessment Decision No. 21, Cash Funds Received and Held as Security to Indebtedness to the Bank. Cash Funds Received and Held as Sepose and are in the nature of trust funds. This includes all types of escrow funds.

10. Section 327.196 is amended to read as follows:

§ 327.196 *Assessment Decision No. 96; foreign exchange transactions; checks received.* (a) A check or draft received in payment for foreign currency delivered over the counter, if it otherwise complies with the requirements of a cash item as shown in § 327.123 Assessment Decision No. 23, Cash Items Eligible for Deduction as Exchanges, is eligible for deduction as a cash item.

(b) A check or draft is ineligible for deduction as a cash item or otherwise when received in payment for foreign exchange made available in a country outside of the States of the United States, the District of Columbia, any Territory of the United States, Puerto Rico, and the Virgin Islands. This is true whether the transaction is made in terms of foreign exchange or United States dollars and whether the method of establishing availability is by the issuance of a draft, bill of exchange, cable, letter, or other authorization. As denominated by the parties, such a transaction is essentially a purchase and sale of foreign currency or credits which is consummated in a foreign country.

11. Section 327.199 is amended to read as follows:

§ 327.199 *Assessment decision No. 99; guaranty deposit fund.* (a) Funds received and held by the reporting bank as a guaranty fund for and on behalf of any of its customers constitute special purpose funds and are deposits which must be included in the assessment base. An illustration of such a guaranty account is where a city furnishes water meters to consumers and requires the consumer to deposit a certain amount as a guaranty against loss or damage to the meter. Such funds paid into the bank by the consumer or city and carried in a guaranty account on behalf of the city are subject to assessment. For deposits on articles owned by the bank itself, see § 327.243 Assessment Decision No. 143, Safety Deposit Key Deposits.

(b) Funds received by the reporting bank and held solely as security for a liability of the customer to the bank upon its guaranty to others on behalf of the customer, need not be included in the assessment base provided the funds excluded (a) are not in excess of the liability they secure; (b) are not subject to withdrawal by the pledgor; and (c) are carried in a special non-interest-bearing account designated to properly show their purpose.

12. Section 327.207 is amended by adding Assessment Decision No. 107 and the section is revised to read as follows:

§ 327.207 *Assessment Decision No. 107; interest prepayment.* (a) Interest

and discount paid to the reporting bank in accordance with the terms of the notes, mortgages, or other instruments held by the bank and credited to an account entitled "Interest Received", "Unearned Interest Collected", or a similar account, need not be included in the assessment base.

(b) Prepaid interest or discount received by the bank prior to the time when it is required to be paid under the terms of the notes, mortgages, or other instruments must be included in the assessment base. An example of such prepayment of interest which must be included in the assessment base is where the interest is payable at maturity, quarterly, or at other intervals and the obligor deposits with, or delivers to, the bank a sum of money for the payment of the interest when it becomes due under the terms of the instrument. Another example of such prepayment subject to assessment is where a renewal note together with cash funds for the payment of the discount thereon is received by the bank prior to the maturity of the note for which it is to be used as renewal.

13. Section 327.209 is amended by adding Assessment Decision No. 109 and the section is revised to read as follows:

§ 327.209 *Assessment Decision No. 109; letters of credit; commercial.* (a) Commercial letters of credit on which the reporting bank is primarily liable and which are sold for cash (that is, issued for a charge against a deposit account in the reporting bank or for money or its equivalent received by the reporting bank) are assessable deposits. A commercial letter of credit is regarded as being issued for the equivalent of money when issued in exchange for checks or drafts or for a promissory note upon which the person procuring the letter of credit is primarily or secondarily liable.

(b) Commercial letters of credit normally are not sold for cash but are issued against an agreement to reimburse the bank for payments to be made by the bank under the letter of credit. The agreement may be contained in a written contract or it may rest in custom and usage. (See Article 10 of the Uniform Customs and Practice for Commercial Documentary Credits Fixed by the Thirteenth Congress of the International Chamber of Commerce, effective January 1, 1952.) If such an agreement does not constitute a promissory note, the letter of credit issued upon such an agreement is not subject to assessment.

(c) When cash funds are received by the reporting bank as collateral security to the reimbursement agreement to protect the bank on its liability for issuing a commercial letter of credit, such funds not in excess of such liability need not be included in the assessment base if (1) they are received and held solely for the purpose of securing a liability to the bank; (2) they are not subject to withdrawal by the obligor; and (3) they are carried in a special non-interest-bearing account designated to properly show their purpose. Furthermore, under such circumstances the letter of credit itself need not be included in the assessment base.

(d) Funds transferred by the reporting bank from an existing deposit account to a special or collateral account are "received" within the meaning of paragraph (c) of this section. Funds are considered to be received and held "solely" for the purpose of securing a liability to the bank, within the meaning of paragraph (c) of this section, even though the customer thereby obtains the benefit of a waiver or reduction of the charges customarily made for the issuance or confirmation of commercial letters of credit.

(e) Funds received and held by the reporting bank in connection with letters of credit issued by other banks and not confirmed by the reporting bank must be included in the assessment base unless excludable under the provisions of § 327.211 Assessment Decision No. 111, Letters of Credit, Issued Through Another Bank.

14. Section 327.211 is amended to read as follows:

§ 327.211 *Assessment Decision No. 111; letters of credit; issued through another bank.* Some banks instead of issuing commercial letters of credit requested by their customers will cause them to be issued by another bank. Cash funds received by a bank and held by it as security for its liability to the issuing bank to meet drawings under commercial letters of credit so issued need not be included in the assessment base provided the funds so excluded (a) do not exceed the liability secured; (b) are received and held solely for the purpose of securing the liability to the bank incurred by the issuance of the commercial letter of credit; (c) are not subject to withdrawal by the obligor; and (d) are carried in a special non-interest-bearing account designated to properly show their purpose. (See § 327.209 Assessment Decision No. 109, Letters of Credit, Commercial.)

15. Section 327.239 is amended to read as follows:

§ 327.239 *Assessment Decision No. 139; rent security deposits.* (a) Cash funds received by a bank from a tenant as security for rent under a lease on real estate owned by the bank need not be included in the assessment base provided the cash funds excluded (1) do not exceed the liability to the bank under the lease; (2) are received and held solely for the purpose of securing a liability to the bank; (3) are not subject to withdrawal by the obligor; and (4) are carried in a special non-interest-bearing account designated to properly show their purpose.

(b) Deposits made with a bank by a tenant as security for rental due on real estate owned by others must be included in deposits for assessment purposes.

16. Section 327.247 is amended to read as follows:

§ 327.247 *Assessment Decision No. 147; securities purchased for customers.* Funds received by a bank to be used for the purchase of securities for the account of customers must be included in the deposit liabilities for assessment purposes until disbursed by the bank in payment for said securities. However, if the bank places the order and in doing so becomes liable for the purchase price and receives funds from the customer as security to protect it on that liability, the funds so received not in excess of the liability to the bank may be excluded from the assessment base provided they are not subject to withdrawal by the pledgor and are carried in a special non-interest-bearing account designated to properly show their purpose.

(Sec. 9, 64 Stat. 882; 12 U. S. C. 1819)

FEDERAL DEPOSIT INSURANCE CORPORATION,
[SEAL] E. F. DOWNEY,
Secretary.

[F. R. Doc. 56-4084; Filed, May 23, 1956; 8:51 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 6368]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

UNITED FISHERMEN OF ALASKA ET AL.

Subpart—*Coercing and intimidating:* § 13.350 *Customers or prospective customers:* To eliminate competitive purchasing; § 13.365 *Employees of competitors;* § 13.370 *Suppliers and sellers:* To limit sale and distribution to member or acceptable distributors. Subpart—*Combining or conspiring:* § 13.430 *To enhance, maintain or unify prices.* Subpart—*Controlling, unfairly, seller-suppliers:* § 13.535 *Controlling, unfairly, seller-suppliers.*

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U. S. C. 45) [Cease and desist order, United Fishermen of Alaska (Kodiak, Alaska) et al., Docket 6368, May 3, 1956]

In the Matter of United Fishermen of Alaska, an Unincorporated Association; and Eldon Lester, Individually, as President of United Fishermen of Alaska, and as Representative of All Members of Said Union, John Anderson, Individually, as Vice President of United Fishermen of Alaska, and as Representative of All Members of Said Union, and P. J. Kerrigan, Individually, as Secretary-Treasurer of United Fishermen of Alaska, and as Representative of All Members of Said Union; and Charles Warren, Russell Attwood, and Alfred Levine, Individually as Members of the Executive Board of United Fishermen of Alaska, and as Representative of All Members of Said Union; and Kodiak Fish Producers Association; and W. A. Cannon, Dal Valley, Barney Corgatelli, Jack Warren, A. J. Cichoski, Ray Heinrichs, and Thomas Clampffer, Individually, as Directors of Kodiak Fish Producers Association, and as Representative of All Members of Said Association; and Island Seafoods, Inc., a Corporation; King Crab, Inc., a Corporation; and Walter Muller and Mildred D. Muller, Individually and as Partners Doing Business Under the Trade Name of Kodiak Sea Foods Packing Company

This proceeding was heard by a hearing examiner on the complaint of the Commission—charging two associations of independent fishermen and three can-

ners of crab meat secured from King crab caught in waters adjacent to their packing plants in Kodiak, Alaska, with effectuating a conspiracy to restrain competition in the sale and distribution of King crab or crab meat in commerce, in the course of which they jointly fixed and maintained minimum prices for all King crab and crab meat caught in said area by means of annual contracts between the canners and the fishermen's associations, enforced by intimidation and threats of violence against canners and fishermen not parties to the agreement, and threats of black-listing fishermen who sought employment with other canners not paying the fixed minimum prices—and an agreement between two of said canners and counsel supporting the complaint providing for entry of a consent order.

On this basis, the hearing examiner made, as to those two canner respondents, his initial decision and order to cease and desist, which included a provision that the order cease to be of effect if the pending proceeding against respondent fishermen's associations be finally determined in any manner other than in an order to cease and desist from the same acts and practices.

Other provisos protected respondents' rights to bargain individually, to form bona fide business ventures which might determine prices of raw King crab and crab meat, and rights of any association of bona fide crab fishermen to perform any of the acts or practices permitted by the Fisheries Cooperative Marketing Act.

The initial decision and order to cease and desist became, on May 3, 1956, the decision of the Commission. The proceeding remains pending as to the two fishermen's associations and a third canner of King crab and crab meat.

Said order to cease and desist is as follows:

It is ordered, That respondents Island Seafoods, Inc., a corporation, and King Crab, Inc., a corporation, their respective officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the purchase, or offering to purchase, in commerce, as "commerce" is defined in the Federal Trade Commission Act, of raw king crab caught in waters bordering western and northwestern Alaska, including the waters adjacent to Kodiak, Alaska, do forthwith cease and desist from entering into, cooperating in or carrying out any planned common and concerted course of action, understanding or agreement between said respondents or between or among said respondents and one or more of the other respondents named in the complaint herein or between either of said respondents and others not parties hereto, to do or perform any of the following acts:

1. Fixing, establishing, maintaining or adhering to, or attempting to fix, establish or maintain, or cause adherence to, by any means or method, any prices for the purchase or sale of such raw king crab and king crab meat;

2. Jointly or collectively negotiating, bargaining or agreeing, by any means or method, as to the price or prices at which said raw king crab or king crab meat are proposed to be, or are, purchased or sold;

3. Authorizing or empowering any association, group, corporation or union to negotiate, bargain or agree as to the prices to be paid or received in the purchase of such king crab or king crab meat;

Provided, however, That nothing herein contained shall be construed or interpreted as preventing or prohibiting any respondent named herein, individually, from purchasing or selling, or bargaining for the purchase or sale of such raw king crab and king crab meat with any boat owner, boat captain, or other single seller or buyer.

Provided further, That nothing herein contained shall be deemed to prohibit the respondents herein from entering into a bona fide partnership, joint operation, or venture, or consolidation, for the purpose of operating one or more canneries and in which the prices of such raw king crab and king crab meat are determined by said partnership, joint operation, or venture, or consolidation, and where such determination is under the contract establishing such partnership, joint operation, or venture, or consolidation binding upon all members thereof. This proviso shall not be construed as either an approval or disapproval of any specific partnership, joint operation, or venture or consolidation, nor as permitting any such partnership, joint operation or venture or consolidation, to be continued or formed for the purpose, or with the effect, directly or indirectly, of rendering ineffective or unenforceable the inhibitions of this order and the purposes thereof.

Provided further, That nothing herein contained shall prevent any association of bona fide crab fishermen, acting pursuant to or in accordance with the provisions of the Fisheries Cooperative Marketing Act (15 U. S. C. A. sections 521 and 522) from performing any of the acts and practices permitted by said act; and

Provided further, That if the pending proceeding against respondents United Fishermen of Alaska and Kodiak Fish Producers Association is finally determined in any manner except by the issuance of an order to cease and desist, either (a) by consent, or (b) by final order of the Commission not subject to further review, or (c) by order of the Commission, which, although subject to further review, continues effective, requiring said respondents United Fishermen of Alaska and Kodiak Fish Producers Association to cease and desist from the same or similar acts or practices provided by the order contained herein, then this order shall terminate and cease to be of any effect.

By "Decision of the Commission," etc., report of compliance was required as follows:

It is ordered, That respondents Island Seafoods, Inc., and King Crab, Inc., corporations, herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: May 3, 1956.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F. R. Doc. 56-4080; Filed, May 23, 1956; 8:50 a. m.]

[Docket 6441]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

HELENA RUBINSTEIN, INC.

Subpart—*Discriminating in price under section 2, Clayton Act, as amended*—Payment for services or facilities for processing or sale under 2 (d): § 13.825 *Allowances for services or facilities; [Discriminating in price under section 2, Clayton Act, as amended]*—Furnishing services or facilities for processing, handling, etc., under 2 (e): § 13.835 *"Demonstrators"*; § 13.843 *Promotional enterprises.*

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 2, 38 Stat. 730, as amended; 15 U. S. C. 13) [Cease and desist order, Helena Rubinstein, Inc., New York, N. Y., Docket 6441, May 9, 1956]

This proceeding was heard by a hearing examiner on the complaint of the Commission—charging a corporate manufacturer of cosmetics, beauty aids, and toilet preparations, with principal place of business in New York City, with violating sections 2 (d) and 2 (e) of the Clayton Act as amended, by furnishing or paying demonstrator services or allowances, advertising facilities or allowances, and promotional allowances to certain competing customers in amounts determined on the basis of individual negotiations which resulted in different and arbitrary terms to different customers—and an agreement between the parties providing for entry of a consent order.

On this basis, the hearing examiner made his initial decision and order to cease and desist which became, on May 9, 1956, the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent Helena Rubinstein, Inc., a corporation, its officers, employees, agents and representatives, directly or through any corporate or other device, in connection with the sale or offering for sale, of cosmetics, beauty aids, and toilet preparations in commerce, as "commerce" is defined in the Clayton Act as amended, do forthwith cease and desist from:

1. Paying, or contracting to pay to, or for the benefit of, any customer, anything of value as compensation or in consideration for services or facilities furnished by or through such customer in connection with the handling, processing, sale or offering for sale of respondent's products unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution or resale of such products.

2. Furnishing or contributing to the furnishing of services or facilities in connection with the handling, processing, sale or offering for sale of respondent's products to any purchaser from respondent of such products bought for resale, when such services or facilities are not accorded on proportionally equal terms to all other purchasers from respondent who resell such products in competition with such purchasers who receive such services or facilities.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondent herein shall within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Issued: May 9, 1956.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F. R. Doc. 56-4082; Filed, May 23, 1956; 8:50 a. m.]

[Docket 6483]

PART 13—DIGEST OF CEASE AND DESIST ORDERS

DAVID BECKER ET AL.

Subpart—*Advertising falsely or misleadingly:* § 13.155 *Prices:* Comparative; exaggerated as regular and customary; fictitious marking; retail or selling as wholesale, jobbing, factory distributors', etc., or discounted. Subpart—*Neglecting, unfairly or deceptively, to make material disclosure:* § 13.1845 *Composition:* Fur Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; Sec. 8, 65 Stat. 179; 15 U. S. C. 45, 69f) [Cease and desist order, David Becker et al. t. a. Becker & Burns Furriers, Philadelphia, Pa., Docket 6483, May 9, 1956]

In the Matter of David Becker and Abraham Burns, Individually and as Copartners, Trading as Becker & Burns Furriers, Respondents

This proceeding was heard by a hearing examiner on the complaint of the Commission — charging two partners with violating the Fur Products Labeling Act by advertisements in circulars, handbills, letters, and otherwise, which failed to disclose the names of animals producing the fur contained in fur products they sold, misrepresented prices of the products as wholesale and less, as reduced from purported regular prices which were in fact fictitious, and misrepresented savings possible to purchasers of their products by means of comparative prices not based on current market values—and an agreement between the parties providing for entry of a consent order.

Upon this basis, the hearing examiner made his initial decision and order to cease and desist which became, on May 9, 1956, the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondents David Becker and Abraham Burns (also known as Al Burns), individually and as copartners trading as Becker & Burns Furriers, or under any other trade name, and respondents' representatives, agents and employees, directly or through any corporate or other device in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce, of any fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of any fur product which is made in whole or in part of fur which had been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Falsely or deceptively labeling or otherwise identifying any such product as to the name or names of the animal or animals that produced the fur from which such garment was manufactured.

2. Failing to affix labels to fur products showing:

(a) The name or names of the animal or animals producing the fur products as set forth in the Fur Products Name Guide and as prescribed under the rules and regulations.

(b) That the fur product contains or is composed of used furs when such is a fact.

(c) That the fur product contains or is composed of bleached, dyed, or artificially colored fur when such is a fact.

(d) That the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur when such is a fact.

(e) The name or other identification issued and registered by the Commission of one or more persons who manufactured such fur product for introduction into commerce, introduced it into commerce, sold it in commerce, advertised or offered for sale in commerce or transported or distributed it in commerce.

(f) The name of the country of origin of any imported furs used in the fur product.

3. Setting forth on labels attached to fur products the name or names of any animal or animals other than the name or names provided for in paragraph A (2) (a) above.

4. Setting forth on labels attached to fur products non-required information mingled with required information.

B. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly in the sale or offering for sale of fur products, and which:

1. Fails to disclose the name or names of the animal or animals producing the fur or furs contained in the fur products as set forth in the Fur Products Name Guide and as prescribed by the rules and regulations.

2. Represents directly or by implication:

(a) That the prices at which said fur products are being offered for sale are as low or less than wholesale cost, when such is not a fact;

(b) That the regular or usual price of any fur product is any amount which is in excess of the price at which the respondents have usually and customarily sold such products in the recent regular course of their business;

(c) That comparative prices are other than current market values, unless the time of such compared price is given, as provided in Rule 44 (b) of the rules and regulations.

3. Makes pricing claims or representations of the type referred to in paragraph B (2) above unless there are maintained by respondents full and adequate records disclosing the facts upon which such claims and representations are based as required by Rule 44 (e) of the rules and regulations.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That respondents David Becker and Abraham Burns (also known as Al Burns), individually and as copartners herein, shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: May 9, 1956.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F. R. Doc. 56-4081; Filed, May 23, 1956; 8:50 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter III — Public Housing Administration, Housing and Home Finance Agency

PART 300—GENERAL PROCEDURAL PROVISIONS

Part 300 is revised to read as follows:

Sec.
300.1 PHA records.
300.2 Final PHA action.
300.3 Claims cognizable under Federal Tort Claims Act.

AUTHORITY: §§ 300.1 to 300.3 issued under sec. 8, 50 Stat. 891; 42 U. S. C. 1408.

§ 300.1 *PHA records*—(a) *Availability of records.* (1) Section 3 (c) of the Administrative Procedure Act, approved June 11, 1946, requires that matters of official record shall be made available to persons properly and directly concerned, except:

(i) Where otherwise required by statute.

(ii) Where the matter is held confidential for good cause found.

(iii) Where there is involved (*a*) any function of the United States requiring secrecy in the public interest or (*b*) any matter relating solely to the internal management of an agency.

(2) The responsibility for compliance with this provision is vested in the Director of the Production and Document Control Branch. Persons desiring to consult such records should apply, in writing, to the Director of the Production and Document Control Branch, PHA, Longfellow Building, Washington 25, D. C. Such applications shall identify as precisely as possible the official records which the applicant desires to consult, and shall set forth the facts bearing on the extent to which the applicant is a person properly and directly concerned with the matter involved. The Director of the Production and Document Control Branch shall advise the applicant in writing either (i) of the time and place at which the records will be available to him; or (ii) that the records are not available to the applicant, in which case the reasons shall be briefly stated.

(b) *Definition of official records.* The term "official records" as used in this part means documents which embody the official acts of the PHA and documents which are filed with the PHA pursuant to statute, PHA regulations, or contract with the PHA, as determined by the Director of the Production and Document Control Branch. It does not include memoranda and other reports which reflect research and analysis preliminary to official action or which are otherwise merely part of the background upon which official action is predicated.

§ 300.2 *Final PHA action*—(a) *Availability of final PHA actions.* Section 3 (b) of the Administrative Procedure Act, approved June 11, 1946, requires that every agency make available to public inspection all final opinions or orders in the adjudication of cases (except those required for good cause to be held confidential and not cited as precedents) and all rules, except where there is involved (1) any function of the United States requiring secrecy in the public interest or (2) any matter relating solely to the internal management of an agency. Except as hereinafter provided, the required information will be available at the Regional Office having jurisdiction over the project covered by the particular action. It is the responsibility of the Regional Director to assemble the actions in a form in which they may be readily consulted by members of the public. The only exceptions to the foregoing are the following:

(1) *Actions on applications for tenancy.* Information on final action on applications for tenancy shall be kept at the project office and made available to the public by the Housing Manager.

(2) *Project management procurement.* Information as to final action of Housing Managers in the procurement of supplies and materials for which such managers are authorized to contract shall be kept at the project office and made available to the public by the Housing Manager.

§ 300.3 *Claims cognizable under the Federal Tort Claims Act.* (a) The PHA will give consideration to claims brought under the Federal Tort Claims Act, as amended (28 U. S. C. A. Sections 2671–2680), if such claims meet all of the following conditions:

(1) They are for $1,000 or less;

(2) They are for injury or loss of property or personal injury or death;

(3) They result from the negligent or wrongful act or omission of an employee of the PHA acting within the scope of his employment;

(4) The PHA, if a private person, would be liable for the claim under the law of the place where the act or omission occurred.

(b) The following types of claims are excepted from the Federal Tort Claims Act by Section 421 (28 U. S. C. A. Section 2680) of that act and will not be considered by the PHA:

(1) Any claim based upon an act or omission of an employee, exercising due care, in the execution of a statute or regulation, whether or not such statute or regulation be valid;

(2) Any claim based upon the exercise or performance or the failure to exercise or perform a discretionary function or duty on the part of the PHA or an employee, whether or not the discretion involved be abused;

(3) Any claim arising out of the loss, miscarriage, or negligent transmission of letters or postal matter;

(4) Any claim arising out of assault, battery, false imprisonment, false arrest, malicious prosecution, abuse of process, libel, slander, misrepresentation, deceit, or interference with contract rights.

(c) A claim may be filed by:

(1) The person injured or the owner of the property lost or injured;

(2) His duly authorized agent or other legal representative if, by reason of death, disability, or other reasons deemed satisfactory by the PHA, he is unable to file a claim. In such cases, the claim shall show the capacity of the person signing and shall be accompanied by evidence of the appointment of such person as agent, executor, administrator, guardian, or other fiduciary. If an attorney representing a claimant claims a fee, he shall file a statement to that effect.

(d) A claim should be filed at the PHA project or Regional Office nearest the place where the damage or injury occurred. Claims may also be filed with the Central Office of the Public Housing Administration, Longfellow Building, Washington 25, D. C.

(e) The claim shall be presented to the PHA on Standard Form 95, "Claim for Damage or Injury," which will be furnished by the PHA upon request, and shall be accompanied by the substantiating evidence specified on the reverse side of the form. The claimant shall also fill in that portion of the Form on the reverse side thereof which is headed "Instructions Regarding Insurance Coverage." If the claim is not submitted on Standard Form 95, the claimant shall be furnished with copies of the Form and required to fill it out and submit it with the required evidence. An insurance company or other person who has compensated the claimant for all or part of the damage or injury on which the claim is based and who claims reimbursement from the Government must clearly establish its rights as a subrogee.

(f) A claim must be presented, in writing, to the PHA within two years after the claim has accrued. This requirement is satisfied by the claimant's presenting the claim in writing even though Standard Form 95 is not filled out in time. The date of filing of the claim (the date received by the PHA) will be made a matter of record on the face of the claim.

(g) Upon receipt of a Standard Form 95 in the PHA an investigation of the claim will be made by a PHA investigator. A report of the investigation will be submitted to the PHA counsel for an opinion which will include findings and a recommendation of award or denial.

(h) The Comptroller, for claims arising out of the acts or omissions of Central Office employees, and the Regional Directors, for claims arising out of acts or omissions of employees under their respective jurisdictions, will review the case and make the final determination. The claimant will be notified of the determination of his claim as soon as possible.

(i) If the determination is that the claimant is entitled to an award, he will be required to complete Standard Form 1145, a copy of which will be furnished him. If all or part of the award is in favor of a subrogee of the person who actually sustained the damage or injury, the subrogee, as well as the claimant, will be required to sign the Standard Form 1145. The claimant will be paid after he has properly executed and returned the necessary forms.

(j) If a claimant has been represented by an attorney who claims a fee, the counsel may recommend that fee be paid out of the award. If the award is $500 or more, the fee allowed may not exceed ten percent (10%) of the award. If the award is less than $500 a reasonable fee, not to exceed $50, may be allowed.

(k) There shall be no administrative appeal by the claimant from the determination of the Comptroller or Regional Directors set forth in paragraph (g) of this section.

Date approved: May 16, 1956.

CHARLES E. SLUSSER,
Commissioner.

[F. R. Doc. 56-4071; Filed, May 23, 1956; 8:48 a. m.]

TITLE 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 5—COMPLAINTS

Part 5 Complaints, is amended to read as follows:

Sec.
5.1 Postal service.
5.2 Postal law violations.

AUTHORITY: §§ 5.1 and 5.2 issued under R. S. 161, 396, as amended; 5 U. S. C. 22, 369.

§ 5.1 *Postal service.* Make complaints concerning the Postal Service to your postmaster. If you prefer, you may address your complaint to the Postmaster General, Washington 25, D. C.

§ 5.2 *Postal law violations.* Send information and complaints concerning postal law violations, such as use of mails for lotteries and schemes to defraud, mailing of obscene and scurrilous matters, extortion, and theft of mail to:

Postal Inspector in Charge at—	*If you live in the State of—*
Atlanta 2, Ga	Florida, Georgia, North Carolina, South Carolina, Puerto Rico, Virgin Islands.
Boston 7, Mass	Connecticut, Maine, Massachusetts, New Hampshire, City of Fishers Island, New York, Rhode Island, Vermont.
Chattanooga 1, Tenn	Alabama, Mississippi, Tennessee.
Chicago 7, Ill	Illinois, Michigan, Wisconsin.
Cincinnati 1, Ohio	Indiana, Kentucky, Ohio.
Denver 1, Colo	Arizona, Colorado, New Mexico, Utah, Wyoming.
Fort Worth 1, Tex	Louisiana, Texas (except city of Texarkana).
Kansas City 42, Mo	Kansas, County of Jackson, Mo., Nebraska, Oklahoma.
New York 1, N. Y	New York, except city of Fishers Island.
Philadelphia 1, Pa	New Jersey, Pennsylvania.
St. Louis 1, Mo	Arkansas, Iowa, Missouri (except Jackson County), also city of Texarkana, Texas.
Saint Paul 1, Minn	Minnesota, North Dakota, South Dakota.
San Francisco 1, Calif	California, Canton Island, Guam, Hawaii Territory, Nevada, American Samoa, and Trust Territory, Pacific Islands.
Seattle 11, Wash	Alaska Territory, Idaho, Montana, Oregon, Washington.
Washington 13, D. C	Delaware, District of Columbia, Maryland, Virginia, West Virginia.

ABE MCGREGOR GOFF,
The Solicitor.

[F. R. Doc. 56-4073; Filed, May 23, 1956; 8:48 a. m.]

TITLE 42—PUBLIC HEALTH

Chapter I—Public Health Service, Department of Health, Education, and Welfare

PART 21—COMMISSIONED OFFICERS

SUBPART D—INCREASED PAY AND ALLOWANCES

Subpart D is amended by adding at the end thereof the following new section:

§ 21.62 *Duty involving frequent and regular participation in aerial flight.* Except as otherwise designated by the Secretary of Health, Education, and Welfare, all duty performed under competent orders by commissioned officers involving frequent and regular participation in aerial flights shall be as a noncrew member pursuant to section 204 (a) (3) of the Career Compensation Act of 1949, as amended, and shall entitle such officers to the pay authorized by subsection (c) of such section.

(Sec. 215, 58 Stat. 690; 42 U. S. C. 216. Interprets or applies sec. 209, 58 Stat. 686, as amended, sec. 204, 63 Stat. 809; 42 U. S. C. 210, 37 U. S. C. 235. E. O. 10152, 15 F. R. 5489; 3 CFR, 1950 Supp.)

[SEAL] LEONARD A. SCHEELE,
Surgeon General.

Approved: May 18, 1956.

M. B. FOLSOM,
Secretary.

[F. R. Doc. 56-4058; Filed, May 23, 1956; 8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 28]

COTTON STANDARDS

PROPOSED REVISION OF REGULATIONS FOR U. S. COTTON LINTERS

Notice is hereby given that the United States Department of Agriculture is considering a revision of §§ 28.76 to 28.96 and 28.136 to 28.146 (7 CFR Part 28) of the regulations relating to licensed classifiers and the classification of United States cotton linters, pursuant to authority contained in the United States Cotton Standards Act, as amended (42 Stat. 1517; 7 U. S. C. 51 et seq.).

The proposed revision would amend present regulations or add new regulations relating to (1) types of cotton linters classification services available, (2) filing of classification requests, (3) drawing and submitting of samples, (4) method of classification, (5) terms used in classification, and (6) requirements for licensed linters classifiers as to classification and supervision. The Department proposes to make the revision effective July 1, 1956.

Any interested person who wishes to submit written data, views, or arguments concerning the proposed revision may do so by filing them with the Director, Cotton Division, Agricultural Marketing Service, United States Department of Agriculture not later than June 22, 1956.

The proposed amendment is as follows:

1. Section 28.83 would be amended to read:

§ 28.83 *Copies of class certificates; retention period; other requirements.* Each licensed classifier shall keep for a period of 1 year in a place accessible to interested persons a copy of each certificate issued by him as a licensed classifier under this subpart. The Administrator may require that a copy of each such certificate be forwarded to a supervising office of the Agricultural Marketing Service immediately after issuance of the certificate.

2. Section 28.85 would be amended to read:

§ 28.85 *Supervisory samples and reports.* The Administrator may require each licensed classifier to submit supervisory samples to a supervising office of the Agricultural Marketing Service in accordance with instructions furnished to licensed classifiers from time to time. The Administrator may also require each licensed classifier to make reports on forms furnished by the Agricultural Marketing Service, or otherwise, bearing upon his activities as such licensed classifier.

3. Section 28.92 (h) would be amended to read:

(h) A statement in accordance with the facts in each case, either (1) that the classifier has drawn the samples upon which his classification is based, or (2) that the samples were submitted to the classifier by another person, in which case the name and address of such person shall be stated.

4. Section 28.96 would be amended to read:

§ 28.96 *Inconsistent classifications.* In the event any licensed classifier or any employee of the Department of Agriculture shall find that any cotton has been inconsistently classified by two or more licensed classifiers, he shall thereupon bring the matter to the attention of the supervising office of the Agricultural Marketing Service, which shall review all the facts obtainable and, if possible, determine the classification of the cotton. The supervising office may examine or requisition such samples of the cotton in question as may be in the hands of such licensed classifiers, or, in the discretion of the supervising officer may request that new samples be drawn, if obtainable. In the event samples are not obtainable, the supervising officer may, if in his judgment sufficient facts are available, decide which of the inconsistent classifications shall be sustained. The records of the licensed cotton classifiers concerned shall be corrected to show the findings of the supervising office.

5. Sections 28.147, 28.148, and 28.149 would be re-numbered §§ 28.160, 28.161, and 28.162 respectively.

6. The center heading immediately preceding § 28.136 and §§ 28.136 through 28.146 would be deleted and the following substituted therefor: "United States Cotton Linters".

§ 28.136 *Applicability of other sections of regulations.* Insofar as applicable, and not inconsistent with §§ 28.136 to 28.152, the provisions of the foregoing subpart relating to cotton shall likewise apply to cotton linters.

§ 28.137 *Boards of cotton linters examiners.* There shall be located at Washington, D. C., and, when necessary in the opinion of the Administrator, at any other point that he shall designate for the purpose, a board of cotton linters examiners. The members of all such boards and the chairman of each shall be designated by the Administrator.

§ 28.138 *Classification and comparison; requests; memorandums and certificates.* For each lot or mark of linters

which the applicant desires classified or compared separately he shall make a separate written request specifying which of the following forms of service is desired. Only one request within a 30 day period shall be made by the same owner for the classification or comparison of the same linters, except a request for a review determination. If the applicant desires that the samples be returned to him, at his expense, he must indicate this in the request for classification or comparison. If the return of samples is not requested they shall become the property of the Government and shall be disposed of in accordance with law and applicable regulations.

(a) *Form A determination.* The classification or comparison of samples of linters that have been freshly drawn by a licensed classifier and submitted direct to a Board of Cotton Linters Examiners without classification or further handling by such classifier. Such classification or comparison shall be evidenced by a Form A memorandum which shall be subject to review as provided in § 28.146. Composite samples composed of portions of linters drawn from more than one bale are not eligible for Form A determinations.

(b) *Form C determination.* The classification of bales of linters sampled under the supervision of an employee of the Department of Agriculture. The classification in such cases shall be evidenced by a Form C certificate which shall be subject to review as provided in § 28.146. Such certificate when it has been reviewed in accordance with § 28.146 shall be deemed to be a final certificate as to the classification shown, within the meaning of section 4 of the act (42 Stat. 1517; 7 U. S. C. 54).

(c) *Form D determination.* The classification or comparison of samples submitted for other than Form A or Form C determinations. Such classification or comparison shall be evidenced by a Form D memorandum which shall not be subject to review.

§ 28.139 *Filing of requests.* All requests for classification or comparison leading to Form A memoranda, Form D memoranda, or Form C certificates shall be filed with the secretary of the Board of Cotton Linters Examiners at Washington, D. C., unless otherwise directed by the Administrator.

§ 28.140 *Samples; weight; drawing.* Each sample submitted to a Board of Cotton Linters Examiners shall weigh not less than 8 ounces; shall be wrapped separately; shall contain a coupon or tag showing the bale number or identity of bale from which drawn; and shall be drawn in the following manner:

(a) *Condenser system linters.* Three separate portions shall be drawn from between different ties from each side of the bale, each portion to be approximately 6 by 8 inches in size. The six portions shall be placed in a single paper sack or wrapper together with an identifying tag stub or other identification. The six portions together shall constitute the sample representing one bale.

(b) *Flue and beater system linters.* A sample of not less than 8 ounces, consisting of equal portions drawn from the two heads of a bale or from two different sides of a bale shall be drawn.

§ 28.141 *Inspection of bales for special conditions.* A licensed classifier drawing samples for submission to a Board of Cotton Linters Examiners for Form A classification or comparison shall inspect each bale and shall specify on his sampler's certificate accompanying the samples any conditions not fully indicated by the samples.

§ 28.142 *Submission of samples.* All samples submitted to a Board of Cotton Linters Examiners for classification or comparison under this subpart shall be delivered or sent to the secretary of the board with all transportation charges incident thereto prepaid. All samples submitted by a licensed linters classifier for Form A classification must have been freshly drawn by such classifier, must be submitted direct to the board without classification or further handling, and must be accompanied by a sampler's certificate. Such certificate shall be on a form furnished by the Agricultural Marketing Service for this purpose.

§ 28.143 *Method of classification.* The classification of all cotton linters samples shall be in accordance with the official cotton linters standards of the United States and §§ 28.143 to 28.145. The grade, staple, and character of each sample shall be determined and designated separately, together with any special conditions of the sample or bale.

§ 28.144 *Samples falling between grades or staples.* In classification, a sample which is determined to be between two adjacent grades or between two adjacent staples shall be assigned the lower of the two grades or two staples.

§ 28.145 *Terms defined; linters classification.* For the purposes of classification of any cotton linters or comparison with a type or other samples, the following terms shall be construed, respectively, to mean:

(a) *Grade.* The term grade means the color and trash in cotton linters.

(b) *Staple.* The staple normal for each grade as illustrated in grades 1 through 7 (§§ 28.201 to 28.207) shall be designated as staples 1, 2, 3, 4, 5, 6, and 7, respectively.

(c) *Character.* The term character means the relative harshness of linters. In linters classification, character shall be described as follows: Soft (symbol S); Average (symbol A); Harsh (symbol H); or Extra Harsh (symbol EH).

(d) *Prime linters.* Prime linters are cotton linters which are equivalent in grade to the official grade standards and do not show evidence of excess trash, physical deterioration, the presence of objectionable odors, or other characteristics which prohibit its description in terms of the official grade standards.

(e) *Off grade linters.* Cotton linters which show evidence of physical deterioration, the presence of objectionable odors, or other characteristics which prohibit its description in terms of the official grade standards shall be designated as "Off Grade," and no specific grade assigned.

(f) *Excess trash.* Cotton linters that contain more trash than is represented in the grades described in §§ 28.201 to 28.208 shall be assigned that grade to which it is equal in color and further described by the term "Excess Trash." Such linters shall not be considered as prime linters.

(g) *Compound grades.* Cotton linters which in grade show a variation equal to that shown in any 2 or 3 adjacent grades of those described in §§ 28.201 to 28.208 shall be designated by the compounded name of such grades.

(h) *Compound staples.* Cotton linters which in staple show a variation equal to that shown in any 2 or 3 adjacent staples of those listed in § 28.209 shall be designated by the compounded name of such staples.

(i) *Mixed packed grades.* Cotton linters which in grade show a variation greater than that shown in any 3 adjacent grades of those described in §§ 28.201 to 28.208 shall be designated as "Mixed Packed" for grade on classification certificates and memoranda and the grade constituting the mixture shown.

(j) *Mixed-packed staples.* Cotton linters which in staple show a variation greater than that shown in any 3 adjacent staples of those listed in § 28.209 shall be designated as "Mixed Packed" for staple on classification certificates and memoranda and the staples constituting the mixture shown.

(k) *Weak staple.* Cotton linters in which the strength of staple is below that normally found in linters of otherwise comparable staple shall be designated by the term "Weak" and no specific staple assigned.

(l) *Below 7 staple.* Cotton linters which in staple is below that illustrated in Grade 7 (§ 28.207) shall be designated as "Below 7" staple.

(m) *False packed linters.* Linters in a bale (1) containing substances entirely foreign to linters; (2) containing damaged linters in the interior with or without any indication of such damage upon the exterior; (3) composed of good linters upon the exterior and decidedly inferior linters in the interior, in such manner as not to be detected by customary examination; or (4) containing motes, sweepings, or hull fiber worked into the bale.

(n) *Repacked linters.* Linters that is composed of factors', brokers', or other samples, or of loose or miscellaneous lots collected and rebaled, or linters in a bale which is composed of linters from two or more smaller bales or parts of bales.

(o) *Water-packed linters.* Linters in a bale that has been penetrated by water during the baling process, causing damage to the fiber, or a bale that through exposure to the weather or by other means, while apparently dry on the exterior, has been damaged by water in the interior.

§ 28.146 *Reviews.* A review of any Form A or Form C determination may be requested by the owner of the linters from which the sample was drawn, or his agent, within 30 days after the issu-

ance of the original memorandum or certificate. Such request shall be filed with the secretary of the Board of Cotton Linters Examiners at Washington, D. C., and shall be accompanied by the original classification memorandum or certificate if it is in the possession of the applicant. The application shall state the reason for failure to submit such document. Form D determinations are not subject to review.

(a) *Form A and Form C Reviews.* Redrawn samples will be required except in cases where the original samples have remained in the custody of the Board of Cotton Linters Examiners. When redrawn samples are necessary, they shall be drawn and submitted in accordance with the applicable provisions of §§ 28.138, 28.140, 28.141, and 28.142. A Form A memorandum or Form C certificate, as applicable, appropriately marked to indicate that it represents a review determination shall be issued to the applicant requesting the review. The review classification memorandum shall supersede the original classification memorandum.

(b) *Review of licensed classifier's certificate.* In case a review is desired of the classification of any linters represented in a valid certificate issued by a licensed linters classifier, the holder of such certificate shall surrender the same, together with samples of the linters involved, to the Board of Cotton Linters Examiners and receive in its stead a Form D memorandum signed by the chairman of such board. Such Form D memorandum shall be appropriately marked to show it represents a review of a licensed classifier's certificate. The Form D memorandum issued in lieu of the licensed classifier's certificate shall not be subject to further review. The provisions of this paragraph do not prohibit the drawing of new samples and filing of a request with the Board of Cotton Linters Examiners leading to a Form A or Form D memorandum or a Form C certificate.

§ 28.147 *Licensed classifiers.* Subject to the applicable terms and conditions of §§ 28.76 to 28.96, any person may, upon presentation of evidence of competency, be licensed to grade or classify linters, and to certificate the grade or class thereof in accordance with the official cotton linters standards of the United States.

(a) *Class certificates; form; mailing to board.* Each class certificate issued by a licensed linters classifier under this subpart shall be on a form furnished by the Department of Agriculture. A copy of each certificate shall be mailed to the Board of Cotton Linters Examiners at Washington, D. C., within 3 days after issuance.

(b) *Supervisory samples.* Some samples from each lot or mark of samples on which a licensed linters classifier issues a certificate under this subpart shall be sent to the Board of Cotton Linters Examiners for supervisory purposes. Such supervisory samples shall be submitted to the board in accordance with instructions furnished licensees by the Department of Agriculture from time to time.

§ 28.148 *Fees and costs; classification; reviews; other.* The fee for the classification, comparison, or review of linters with respect to grade, staple, and character, or any of these qualities, shall be at the rate of 20 cents for each bale or sample involved. The provisions of §§ 28.118 to 28.135 relating to other fees and costs shall, so far as applicable, apply to services performed with respect to linters.

§ 28.149 *Fees and costs; supervision of sampling.* For the supervision of sampling of bales of linters leading to a Form C certificate pursuant to § 28.138 (b), the person making the request for classification shall pay, in addition to the classification fee prescribed in § 28.148, the necessary traveling expenses and subsistence, or per diem in lieu of subsistence, incurred on account of such request, in accordance with the fiscal regulations of the Department of Agriculture, by the Department employee supervising the sampling.

§ 28.150 *Fee; licenses; renewals.* The fee for the examination of an applicant for a license to classify linters shall be $10. No additional charge shall be made for the issuance of a license to an applicant found to be properly qualified. The fee for each renewal of such a license shall be $5.

§ 28.151 *Cost of practical forms; period effective.* Practical forms of the official cotton linters standards of the United States will be furnished to any person subject to the applicable terms and conditions specified in § 28.115, and upon prepayment of the costs thereof: *Provided,* That no practical form of any of the official cotton linters standards of the United States shall be considered as representing any of said standards after the date of its cancellation in accordance with this subpart, or, in any event, after the expiration of 12 months following the date of its certification. The costs of the official standards shall be at the rate of $5 each, f. o. b., Washington, D. C., for shipments within the continental United States, and $6.50 each, delivered to destination, for shipments outside the continental United States.

§ 28.152 *Staple guide samples.* An actual sample of linters illustrating the staples as embraced in each of the grades 1 through 7 (§§ 28.201 to 28.207) shall be made available, to the extent that facilities permit, to purchasers of practical forms of the official standards, at the rate of $1 each, f. o. b., Washington, D. C., for shipments within the continental United States, and $1.50 each, delivered to destination, for shipments outside the continental United States.

Done at Washington, D. C., this 21st day of May 1956.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator,
Agricultural Marketing Service.

[F. R. Doc. 56-4094; Filed, May 23, 1956; 8:52 a. m.]

[7 CFR Part 922]

VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

NOTICE OF PROPOSED RULE MAKING WITH RESPECT TO APPROVAL OF EXPENSES AND FIXING OF RATE OF ASSESSMENT FOR 1955-56 FISCAL YEAR

Consideration is being given to the following proposals submitted by the Valencia Orange Administrative Committee, established under Order No. 22 (7 CFR Part 922), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective March 31, 1954, under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), as the agency to administer the terms and provisions thereof: (1) that the Secretary of Agriculture find that expenses not to exceed $176,022.00 will be necessarily incurred during the fiscal year November 1, 1955, through October 31, 1956, for the maintenance and functioning of the committee established under the aforesaid order, and (2) that the Secretary of Agriculture fix, as the share of such expenses which each handler who first handles oranges shall pay during the fiscal year in accordance with the aforesaid order, the rate of assessment of $0.0075 per carton of oranges handled by such handler as the first handler thereof during such fiscal year.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposals should file the same with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Room 2077, South Building, Washington 25, D. C., not later than the 10th day after the publication of this notice in the FEDERAL REGISTER. All documents should be filed in quadruplicate.

As used in this section, "handle," "handler," "oranges," and "fiscal year" shall have the same meaning as is given to each such term in said order; and "carton" shall mean the standard one-half orange, grapefruit or lemon box set forth as standard container number 58 in section 828.83, as amended, of the Agricultural Code of California.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: May 21, 1956.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 56-4091; Filed, May 23, 1956; 8:51 a. m.]

[7 CFR Part 936]

FRESH BARTLETT PEARS, PLUMS, AND ELBERTA PEACHES GROWN IN CALIFORNIA

NOTICE OF PROPOSED RULE MAKING WITH RESPECT TO EXPENSES AND FIXING OF RATES OF ASSESSMENT FOR 1956-57 SEASON

Consideration is being given to the following proposals submitted by the Con-

trol Committee, established under the marketing agreement, as amended, and Order No. 36, as amended (7 CFR Part 936), regulating the handling of fresh Bartlett pears, plums, and Elberta peaches grown in the State of California, effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), as the agency to administer the provisions thereof:

(a) That the Secretary of Agriculture find, with respect to Bartlett pears, early varieties of plums, late varieties of plums, and Elberta peaches, that expenses not to exceed the following amounts are likely to be incurred, during the season beginning March 1, 1956, and ending February 28, 1957, both dates inclusive, by the Control Committee for the maintenance and functioning of such committee and the respective commodity committee established under the aforesaid amended marketing agreement and order:

(1) Bartlett pears, $23,154.45;

(2) Early varieties of plums, $18,513.23;

(3) Late varieties of plums, $19,789.84; and

(4) Elberta peaches, $19,477.48.

(b) That the Secretary of Agriculture fix, as each handler's pro rata share of such expenses, the following rates of assessment which each handler shall pay in accordance with the provisions of said amended marketing agreement and order:

(1) 8½ mills ($0.0085) per standard western pear box of Bartlett pears, or its equivalent in other containers or in bulk;

(2) 9 mills ($0.009) per standard four-basket crate of early varieties of plums, or its equivalent in other containers or in bulk;

(3) 9 mills ($0.009) per standard four-basket crate of late varieties of plums, or its equivalent in other containers or in bulk; and

(4) 4 mills ($0.004) per California peach box of Elberta peaches, or its equivalent in other containers or in bulk.

All persons who desire to submit written data, views, or arguments for consideration in connection with the proposals may do so by submitting the same to the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D. C., not later than the 10th day following publication of this notice in the FEDERAL REGISTER.

Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: May 21, 1956.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 56-4092; Filed, May 23, 1956; 8:51 a. m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 120]

TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

NOTICE OF FILING OF PETITION FOR ESTABLISHMENT OF TOLERANCES FOR RESIDUES OF CALCIUM CYANIDE

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (Sec. 408 (d) (1), 68 Stat. 512; 21 U. S. C. 346a (d) (1)), the following notice is issued:

A petition has been filed by The American Cyanamid Company, 30 Rockefeller Plaza, New York, New York, proposing the establishment of a tolerance of 25 parts per million for residues of calcium cyanide, determined as hydrocyanic acid, in or on the following raw agricultural commodities: Buckwheat grain, oat grain, and grain sorghum.

The analytical methods for determining residues of hydrocyanic acid are published in "Official Methods of Analysis of the Association of Official Agricultural Chemists," Eighth Edition, sections 22.55 and 22.54, page 380 (1955).

Dated: May 18, 1956.

[SEAL] JOHN L. HARVEY,
Deputy Commissioner of Food and Drugs.

[F. R. Doc. 56-4057; Filed, May 23, 1956; 8:45 a. m.]

NOTICES

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

NOTICE OF FILING OF PLATS OF SURVEY AND ORDER PROVIDING FOR OPENING OF PUBLIC LANDS

MAY 17, 1956.

1. A plat of survey of the lands described below will be officially filed in the Anchorage Land Office, Anchorage, Alaska, effective at 10:00 a. m. June 22, 1956.

COPPER RIVER MERIDIAN

Township 4 North, Range 2 West, Sections 25, 26, 27, 28 and 29.

The area described aggregate 3190.06 acres.

2. The above lands lie in the vicinity of Glenallen, Alaska, and are partially bordered on the North by the Glenn Highway. The terrain is generally level to rolling countryside. The major vegetative cover is a mixed stand of birch, aspen, and spruce. There are scattered patches of muskeg.

3. Lots 2, 3, 5, 7, 9, 11, 13, 15 and 17, Section 29, lie wholly within the Glenn Highway right-of-way as withdrawn by Public Land Order No. 601, as amended, and U. S. Survey No. 3197 is patented. Therefore these lands are not subject to disposition.

4. Subject to any existing valid rights and the requirements of applicable law, the lands described in paragraph 1 hereof, are hereby opened to filing of applications, selections, and locations in accordance with the following:

a. Applications and selections under the nonmineral public land laws and applications and offers under the mineral leasing laws may be presented to the Manager mentioned below, beginning on the date of this order. Such applications, selections, and offers will be considered as filed on the hour and respective dates shown for the various classes enumerated in the following paragraphs:

(1) Applications by persons having prior existing valid settlement rights, preference rights conferred by existing laws, or equitable claims subject to allowance and confirmation will be adjudicated on the facts presented in support of each claim or right. All applications presented by persons other than those referred to in this paragraph will be subject to the applications and claims mentioned in this paragraph.

(2) All valid applications under the Homestead, Alaska Homesite, and Small Tract Laws by qualified veterans of World War II or of the Korean Conflict, and by others entitled to preference rights under the act of September 27, 1944 (58 Stat. 747; 43 U. S. C. 279–284 as amended), presented prior to 10:00 a. m. on June 8, 1956, will be considered as simultaneously filed at that hour. Rights under such preference right applications filed after that hour and before 10:00 a. m. on September 21, 1956, will be governed by the time of filing.

(3) All valid applications and selections under the non-mineral public land laws, other than those coming under paragraphs (1) and (2) above, and applications and offers under the mineral leasing laws, presented prior to 10:00 a. m. on September 21, 1956, will be considered as simultaneously filed at that hour. Rights under such applications and selections filed after that hour will be governed by the time of filing.

5. Persons claiming veterans' preference rights under paragraph a (2) above must enclose with their applications proper evidence of military or naval service, preferably a complete photostatic copy of the certificate of honorable discharge. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims. Detailed rules and regulations governing applications which may be filed pursuant to this notice can be found in Title 43 of the Code of Federal Regulations.

6. Inquiries concerning these lands shall be addressed to the Manager, An-

chorage Land Office, P. O. Box 1740, Anchorage, Alaska.

VIRGIL O. SEISER,
Manager.

[F. R. Doc. 56-4059; Filed, May 23, 1956; 8:45 a. m.]

Bureau of Reclamation

COLORADO RIVER STORAGE PROJECT, UTAH

FIRST FORM RECLAMATION WITHDRAWAL

APRIL 25, 1956.

Pursuant to the authority delegated by Departmental Order No. 2765 of July 30, 1954, I hereby withdraw the following-described lands from public entry, under the first form of withdrawal, as provided by section 3 of the act of June 17, 1902 (32 Stat., 388):

SALT LAKE BASE AND MERIDIAN, UTAH

T. 40 S., R. 1 E. (unsurveyed), all.
Tps. 41, 42 and 43 S., R. 1 E., all.
T. 41 S., R. 2 E. (unsurveyed), all.
T. 42 S., R. 2 E., all.
T. 43 S., R. 2 E.,
Secs. 3 to 10, inclusive, secs. 15 to 22, inclusive, and secs. 27 to 34, inclusive, all.

The above areas aggregate approximately 153,600 acres.

E. G. NIELSEN,
Assistant Commissioner.

[71776]

MAY 18, 1956.

I concur. The records of the Bureau of Land Management will be noted accordingly. *Provided,* That this order shall be subject to valid existing rights and the provisions of existing withdrawals.

The Bureau of Land Management will administer the lands until they are needed for reclamation purposes.

EDWARD WOOZLEY,
Director,
Bureau of Land Management.

Notice for Filing Objections to Order Withdrawing Public Lands for the Colorado River Storage Project, Utah

Notice is hereby given that for a period of 30 days from the date of publication of this notice, persons having cause to object to the terms of the above order withdrawing certain public lands in the State of Utah for use in connection with the proposed Glen Canyon Unit, Colorado River Storage Project may present their objections to the Secretary of the Interior. Such objections should be in writing, should be addressed to the Secretary of the Interior, and should be filed in duplicate in the Department of the Interior, Washington 25, D. C.

In case any objection is filed and the nature of the opposition is such as to warrant it, a public hearing will be held at a convenient time and place, which will be announced, where opponents to the order may state their views and where the proponents of the order can explain its purpose, intent, and extent. Should any objection be filed, notice of the determination by the Secretary as to whether the order should be rescinded, modified or let stand will be given to all interested parties of record and the general public.

E. G. NIELSEN,
Assistant Commissioner.

[F. R. Doc. 56-4060; Filed, May 23, 1956; 8:46 a. m.]

COLORADO RIVER STORAGE PROJECT, ARIZONA

FIRST FORM RECLAMATION WITHDRAWAL

MARCH 26, 1956.

Pursuant to the authority delegated by Departmental Order No. 2765 of July 30, 1954, I hereby withdraw the following-described lands from public entry, under the first form of withdrawal, as provided by section 3 of the act of June 17, 1902 (32 Stat. 388):

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 41 N., R. 7 E., unsurveyed,
Entire township.
T. 42 N., R. 7 E., unsurveyed,
Secs. 31 to 35, inclusive.

The above areas aggregate approximately 25,500 acres.

E. G. NIELSEN,
Assistant Commissioner.

[71463]

MAY 18, 1956.

I concur. The records of the Bureau of Land Management will be noted accordingly. The lands shall continue to be administered by the Bureau of Land Management until they are needed for reclamation purposes.

EDWARD WOOZLEY,
Director,
Bureau of Land Management.

Notice for Filing Objections to Order Withdrawing Public Lands for the Colorado River Storage Project, Arizona

Notice is hereby given that for a period of 30 days from the date of publication of this notice, persons having cause to object to the terms of the above order withdrawing certain public lands in the State of Arizona for use in connection with the proposed Colorado River Storage Project may present their objections to the Secretary of the Interior. Such objections should be in writing, should be addresed to the Secretary of the Interior, and should be filed in duplicate in the Department of the Interior, Washington 25, D. C.

In case any objection is filed and the nature of the opposition is such as to warrant it, a public hearing will be held at a convenient time and place, which will be announced, where opponents to the order may state their views and where the proponents of the order can explain its purpose, intent, and extent. Should any objection be filed, notice of the determination by the Secretary as to whether the order should be rescinded, modified or let stand will be given to all interested parties of record and the general public.

E. G. NIELSEN,
Assistant Commissioner.

[F. R. Doc. 56-4061; Filed, May 23, 1956; 8:46 a. m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

CANNED RED TART PITTED CHERRIES

NOTICE OF PURCHASE PROGRAM WMP 89A

In order to encourage the domestic consumption of red tart cherries by diverting them from the normal channels of trade and commerce in accordance with section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended, the Agricultural Marketing Service offers to purchase canned red tart pitted cherries from growers, associations of growers, or canners on the offer and acceptance basis and will accept offers, to be received by the Department not later than 9:00 a. m., e. d. t., May 29, 1956, to the extent that industry marketing needs require, subject to the quantities and prices offered and to the limitations imposed by the amount of funds available for such purchases. Specifications of the purchase are contained in announcements which were issued by the Department on May 18, 1956. Information as to this purchase program may be obtained from the Fruit and Vegetable Division, Agricultural Marketing Service, Department of Agriculture, Washington 25, D. C.

(Sec. 32, 49 Stat. 774, as amended, 7 U. S. C. and Sup. 612c)

Done at Washington, D. C., this 21st day of May 1956.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 56-4096; Filed, May 23, 1956; 8:52 a. m.]

DEPARTMENT OF COMMERCE

Bureau of Foreign Commerce

[Case No. 213A]

FLORENT M. L. SCHRIJVERS

ORDER REVOKING EXPORT LICENSES AND DENYING EXPORT PRIVILEGES

In the matter of Florent M.-L. Schrijvers, 84, Avenue D'Italie, Antwerp, Belgium, respondent; Case No. 213A.

Florent M. L. Schrijvers, the respondent herein, having been charged by the Director, Investigation Staff, Bureau of Foreign Commerce of the Department of Commerce, with having violated the Export Control Act of 1949, as amended, in that, as alleged, (1) he made and submitted false statements and representations for the purpose of causing to be effected exportations from the United States, and (2) he diverted or caused to be diverted and transshipped to an unauthorized destination commodities exported from the United States under export control documents limiting their shipment to the place named in such documents, duly answered the charges, admitted numerous facts, and offered various special defenses in mitigation.

The respondent did not demand an oral hearing but, in accordance with the practice, this case was referred to the Compliance Commissioner who notified him of the time when and the place

where he would receive proof of the charges. Respondent did not appear at the time and place specified but wrote the Compliance Commissioner an additional letter of explanation. After the evidence was submitted, the Compliance Commissioner in due course made his report and recommendation, which, upon the facts as hereinafter found, appears to be fair and just and is therefore adopted.

Now, after considering the entire record consisting of the charges, the answer of the respondent, the evidence submitted in support of the charges and the report and recommendation of the Compliance Commissioner, I hereby make the following findings of fact:

1. At all times hereinafter mentioned, Florent M. L. Schrijvers, hereinafter referred to as respondent, was and now is engaged in the export and import business in Antwerp, Belgium.

2. In November 1954 the respondent opened negotiations with a firm in London for a sale of 50 tons of granular boric acid to be shipped to Hong Kong. These negotiations resulted in a contract wherein and whereby the respondent agreed to sell said boric acid to the London firm for ultimate shipment to Hong Kong.

3. Following the making of that contract and, with knowledge that it was to be submitted to the Bureau of Foreign Commerce in support of an application for an export license, respondent executed a Bureau of Foreign Commerce Form IT 842 (consignee-purchaser statement), in which he certified that 50 tons of boric acid to be exported from the United States to him were to be resold by him in Belgium to various consumers in the glassware, enamelware, and leather industries and that the end products were to be distributed in Belgium. In the same form he agreed not to dispose of the boric acid contrary to the statements made therein, that he would notify the American supplier of any change of facts or intentions related to the transaction and would secure U. S. Government approval prior to any such disposition. His American supplier then applied to the Bureau of Foreign Commerce for a license to export the boric acid to the respondent and, in support of that application, submitted respondent's IT 842. The license was granted on December 15, 1954.

4. On January 16, 1955, the American supplier exported 50 metric tons of granular boric acid to the respondent, under and pursuant to the authority of said license. In support of said exportation, it executed an export declaration and procured a bill of lading, in each of which there was endorsed a warning to the effect that the boric acid was being exported to Belgium as the country of ultimate destination and that diversion to another destination was prohibited by the laws of the United States. Schrijvers was therein named as the purchaser or ultimate consignee and Belgium was designated as the country of ultimate destination.

5. For the purpose of performing the contract, the respondent's London purchaser, in March of 1955, opened letters of credit in respondent's favor for 45 metric tons and provided him with markings for shipping to Hong Kong. The London purchaser requested that the remaining five tons be held for future disposition. Respondent accepted these instructions and invoiced his London purchaser for the 45 metric tons. When this boric acid arrived at Antwerp, respondent caused it to be transshipped to Hong Kong without prior notification to, or authorization from, the Bureau of Foreign Commerce.

6. The transshipment was discovered by American authorities and, upon the respondent's having been reminded that such transshipment was in contravention of U. S. export control regulations, respondent arranged for the return to Belgium, at his own expense, of all the boric acid unlawfully transshipped and he thereafter disposed of the entire 50 metric tons by selling them in Belgium or to previously approved consignees in other Western European countries.

7. Prior to the notification to the respondent that his conduct with respect to the 50 tons of granular boric acid was in contravention of U. S. export control regulations, respondent, in January 1955, entered into further negotiations with his London purchaser for the sale to it of an additional 50 tons of boric acid, in powder form, which boric acid he knew was ultimately destined for Hong Kong. His London purchaser accepted this offer.

8. Respondent then entered into negotiations for the purchase of this additional lot of 50 tons of powered boric acid from his American supplier and he again executed a Bureau of Foreign Commerce Form IT 842 containing the same representations and agreements as those contained in the previous form executed by him.

9. His American supplier then utilized this IT 842 to support its application for an export license which was duly issued on January 27, 1955. This license was used to load 50 metric tons of powdered boric acid upon a ship about to leave the United States. The American supplier at the same time executed an export declaration and procured a bill of lading in which were made statements similar to those contained in the previous export declaration and bill of lading. By action of the Department of Commerce, the license was suspended and the boric acid was removed from the vessel.

And, from the foregoing, the following are my conclusions.

A. That respondent knowingly made false statements and concealed material facts on Bureau of Foreign Commerce Forms IT 842 and caused false statements to be made and material facts to be concealed from the Bureau of Foreign Commerce on the export license applications and export declarations executed by his supplier in connection with the transactions involved herein, in violation of §§ 381.2 and 381.5 of the export control regulations.

B. That he failed to notify his American supplier and failed to secure approval from the United States Government before transshipping to Hong Kong 45 tons of granular boric acid in contravention of his agreement in the Bureau of Foreign Commerce Form IT 842 contained, thus violating § 381.5 (d) of the export control regulations.

C. That he made purchases of and sold commodities to be exported from the United States with the knowledge, at the time of such purchases and sales, that the export control regulations would be violated in connection with the transactions related to said purchases and sales, in violation of § 381.4 of the export control regulations.

D. That he knowingly transshipped commodities to persons and destinations and for uses not previously authorized by the Bureau of Foreign Commerce in violation of §§ 379.5, 381.2 and 381.6 of the export control regulations.

In his report, the Compliance Commissioner said:

> This respondent points out that no transshipment was brought to a conclusion and that, at great expense to himself, he brought the granular boric acid back to Belgium and disposed of it to consignees approved by the American authorities. His expense in this connection far exceeded the very small profit he would have made and was quite large in proportion to the cost of the goods involved. He says that it was his assumption that even though the goods were ostensibly purchased for Belgium, if they were transshipped in accordance with a license obtained from the Belgian Government, such a transshipment was legal. This is a defense that has frequently been asserted in the past but it is not a good defense and does not relieve the respondent of his wrongful conduct. Whether he actually believed that his intended conduct was proper is not known but, by reason of his other conduct in this case, I am giving him the benefit of the doubt in that respect. In addition to his retrieving of the boric acid unlawfully transshipped, he has been most co-operative with the American authorities during the course of the investigation and, even after the hearing of this case, he has supplied his file relating to the first transshipment. * * * For all these reasons I have concluded that, whereas it would ordinarily be my recommendation that a transshipper of goods to Hong Kong or to a Communist destination, acting in contravention of U. S. export control regulations, should be denied export privileges so long as export controls are in effect, Schrijvers should be given unusual consideration. It is therefore my recommendation, without thereby setting a precedent, that he be denied export privileges for a period of two years but that, after the order has been in effect for three months, such privileges shall be restored to him upon condition that during the entire remaining term of the order he comply with all U. S. export control regulations.

Having concluded that the recommended action is fair, just and necessary to achieve effective enforcement of the law: *It is hereby ordered:*

I. All outstanding validated export licenses in which Florent M. L. Schrijvers, the respondent, appears or participates as purchaser, intermediate or ultimate consignee, or otherwise, are hereby revoked and shall be returned forthwith to the Bureau of Foreign Commerce for cancellation.

II. Henceforth, and for a period of two years from the date hereof, the said respondent be and he hereby is suspended from and denied all privileges of participating, directly or indirectly, in any manner or capacity, in an exportation of any commodity or technical data from the

United States to any foreign destination, including Canada, whether such exportation has heretofore or hereafter been completed. Without limitation of the generality of the foregoing denial of export privileges, participation in an exportation is deemed to include and prohibit participation by him, directly or indirectly, in any manner or capacity, (a) as a party or as a representative of a party to any validated export license application, (b) in the obtaining or using of any validated or general export license or other export control documents, (c) in the receiving, ordering, buying, selling, using, or disposing in any foreign country of any commodities in whole or in part exported or to be exported from the United States, and (d) in storing, financing, forwarding, transporting, or other servicing of such exports from the United States.

III. Such denial of export privileges shall extend not only to the respondent, but also to any person, firm, corporation, or business organization with which he may be now or hereafter related by ownership, control, position of responsibility, or other connection in the conduct of trade in which may be involved exports from the United States or services connected therewith.

IV. Upon condition that the respondent complies in all respects with this order, and with all other requirements of the Export Control Act of 1949, as amended, and all regulations promulgated thereunder, commencing three months following the date hereof, he may engage in and enjoy all export privileges permitted by United States laws and regulations.

V. The privileges conditionally restored to the respondent, under Part IV hereof, may be revoked summarily and without notice upon a finding by the Director of the Office of Export Supply, or such other official as may at that time be exercising the duties now exercised by him, that the respondent has, at any time following the date hereof, knowingly failed to comply with any of the conditions or provisions upon which or whereby, by Part IV hereof, he has been permitted to engage in any phase of the export business otherwise denied to him under Part II hereof, without prejudice to any other action which may be taken by reason of any such new or additional violation. In the event that it be so determined that the respondent has breached the conditions of Part IV hereof, the suspension and denial of his export privileges shall be deemed to commence on the day of such determination and shall continue thereafter for a full term of twenty-one months.

VI. No person, firm, corporation, partnership, or other business organization, whether in the United States or elsewhere, during any time when the respondent is prohibited under the terms hereof from engaging in any activity within the scope of Part II hereof, shall, without prior disclosure to, and specific authorization from, the Bureau of Foreign Commerce, directly or indirectly, in any manner or capacity, (a) apply for, obtain, or use any license, shipper's export declaration, bill of lading, or other export control document relating to any such prohibited activity, (b) order, receive, buy, use, dispose of, finance, transport or forward, any commodity on behalf of or in any association with the respondent, or (c) do any of the foregoing acts with respect to any commodity or exportation in which the respondent may have any interest or benefit of any kind or nature, direct or indirect.

Dated: May 21, 1956.

JOHN C. BORTON,
Director,
Office of Export Supply.

[F. R. Doc. 56-4083; Filed, May 23, 1956; 8:50 a. m.]

Maritime Administration

TRADE ROUTE 11

NOTICE OF FINAL DETERMINATION ON INCREASE IN U. S. FLAG SERVICE REQUIREMENTS

Notice is hereby given that the Maritime Administrator has directed that his determinations regarding an increase in U. S. flag service requirements and the suitability of two modernized Liberty ships for interim operation on Trade Route No. 11 as published in the FEDERAL REGISTER, issue of April 27, 1956 (21 F. R. 2730), shall stand unchanged.

In the third paragraph of the notice referred to herein, the date March 11, 1956 should read March 17, 1956.

Dated: May 21, 1956.

By order of the Maritime Administrator.

[SEAL] GEO. A. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 56-4097; Filed, May 23, 1956; 8:52 a. m.]

Office of the Secretary

ERNEST W. DANIELS

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of December 3, 1955, 20 F. R. 9165.

A. Deletions: None.
B. Additions: None.

This statement is made as of May 10, 1956.

[SEAL] ERNEST W. DANIELS.

[F. R. Doc. 56-4078; Filed, May 23, 1956; 8:49 a. m.]

FEDERAL POWER COMMISSION

[Docket No. E-6680]

SOUTHERN NEVADA POWER CO.

NOTICE OF APPLICATION FOR ORDER AUTHORIZING STOCK ISSUANCE

MAY 18, 1956.

Take notice that on May 14, 1956, an application was filed with the Federal Power Commission, pursuant to section 204 of the Federal Power Act, by Southern Nevada Power Company ("Applicant"), a corporation organized under the laws of the State of Nevada, and doing business in said State, with its principal business office at Las Vegas, Nevada, seeking an order authorizing the issuance of (1) such number of shares of Common Stock, par value $1.00 per share (hereinafter referred to as the "New Common Stock"), as may become issuable upon the exchange of shares of Common Stock, par value $5.00 per share (hereinafter referred to as the "Old Common Stock") now outstanding; (2) 4¾ percent Convertible Debentures due 1979, and Cumulative Preferred Stock, 4.80 percent Convertible Series, in exchange for the outstanding Convertible Debentures due 1979 and Cumulative Preferred Stock, 4.80 percent Convertible Series, except that there shall be issuable in each case upon conversion, the New Common Stock instead of the Old Common Stock; and (3) such number of shares of New Common Stock as may be issuable from time to time upon conversion of said Convertible Debentures due 1979 and said Cumulative Preferred Stock, 4.80 percent Convertible Series, and upon exercise of options heretofore issued to officers of Applicant.

Any person desiring to be heard or to make any protest with reference to said application should on or before the 5th day of June 1956, file with the Federal Power Commission, Washington 25, D. C. a petition or protest in accordance with the Commission's rules of practice and procedure. The application is on file and available for public inspection.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-4062; Filed, May 23, 1956; 8:46 a. m.]

[Docket No. G-10014]

KANSAS-NEBRASKA NATURAL GAS CO.

NOTICE OF HEARING ON APPLICATION FOR CONSTRUCTION OF NATURAL GAS FACILITIES

MAY 18, 1956.

Take notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on June 12, 1956, at 9:30 a. m., e. d. s. t., in a hearing room of the Federal Power Commission, 441 G Street, NW., Washington, D. C., concerning the matters involved in and the issues presented by the application filed herein: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Due notice of the application filed herein has been had by publication in the FEDERAL REGISTER on May 1, 1956 (21 F. R. 2857) and no protest or petitions to intervene have been filed herein.

Under the procedure herein provided for, unless otherwise advised, it will be

unnecessary for applicant to appear or be represented at the hearing. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure where such request therefor is made.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 56-4063; Filed, May 23, 1956; 8:46 a. m.]

[Docket No. G-3275 et al.]

HOWARD W. FLEET ET AL.

NOTICE OF SEVERANCE AND CONTINUANCE

MAY 18, 1956.

In the matters of Howard W. Fleet et al., Docket No. G-3275, et al.; Superior Oil Company, Docket No. G-6180.

Notice is hereby given that the application of the Superior Oil Company in Docket No. G-6180 in the above consolidated proceeding and scheduled for hearing on May 21, 1956, at 9:30 a. m., e. d. s. t., is hereby severed therefrom and scheduled for hearing at a subsequent date to be set by further notice.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 56-4064; Filed, May 23, 1956; 8:47 a. m.]

[Docket Nos. G-9957; G-10062]

TEXAS GAS TRANSMISSION CORP.

NOTICE OF APPLICATIONS AND DATE OF HEARING

MAY 18, 1956.

Take notice that Texas Gas Transmission Corporation (Applicant), a Delaware corporation with principal place of business at 416 West Third Street, Owensboro, Kentucky, filed, in Docket No. G-9957 on February 7, 1956, and in Docket No. G-10062 on March 7, 1956, as amended April 16, 1956, separate applications for certificates of public convenience and necessity, pursuant to section 7 (c) of the Natural Gas Act, authorizing Applicant to render increased natural gas service to certain existing customers and to construct and operate certain natural gas facilities as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the applications which are on file with the Commission and open for public inspection.

In Docket No. G-9957 Applicant proposes to sell and deliver on a firm basis commencing on or about December 1, 1956, in addition to the presently authorized volume of 91,800 Mcf per day, an additional volume of natural gas (viz. 5,100 Mcf per day at 14.73 p. s. i. a.) in interstate commerce to Louisville Gas and Electric Company (Louisville) for resale for the purpose of meeting the increased firm requirements of Louisville. No additional facilities are requested in Docket No. G-9957.

In Docket No. G-10062 Applicant proposes to sell and deliver on a firm basis, as shown below, additional volumes of natural gas in interstate commerce to certain of its existing customers for resale, and to construct and operate, as integral parts of its existing natural gas system, certain natural gas facilities as hereinafter described which are necessary to said delivery and sale of natural gas.

Customer	Contract demand in Mcf at 14.73 p. s. i. a.		
	Existing	Proposed increase	Total
Louisville Gas & Electric Co.	91,800	15,200	[1] 112,200
West Tennessee Gas Co.	26,418	3,652	30,070
Gas Utilities Co.	5,099	1,020	6,119
Western Kentucky Gas Co. (Zone 2)	13,515	530	14,045

[1] Includes 5,100 Mcf increase requested in Docket No. G-9957.

Applicant also seeks in Docket No. G-10062 the following authorization:

(1) To construct and operate approximately 11.37 miles of 16-inch O. D. pipeline which will loop Applicant's proposed 16-inch line [1] out of Lake Arthur Field, Louisiana.

(2) To construct and operate, southeast of Eunice, Louisiana, approximately 4 miles of 6⅝-inch O. D. pipeline which will cross-connect Applicant's 4-inch Bosco line with Applicant's proposed 20-inch E. Lake Palourde line.[1]

(3) To install and operate two additional 1,500 hp. compressor units at Applicant's proposed Pineville Louisiana Compressor Station [1] which is presently rated at 6,000 hp.

(4) To install and operate two 1,500 hp. compressor units at Applicant's Columbia Louisiana Compressor Station which is presently rated [2] at 6,000 hp.

(5) To install and operate one 2,000 hp. compressor unit at Applicant's Bastrop Louisiana Compressor Station which is presently rated [2] at 16,320 hp.

(6) To construct and operate, south of Applicant's Greenville Mississippi Compressor Station, approximately 5.99 miles of 30-inch pipeline which will extend in a southwesterly direction the proposed 30-inch line [1] looping on Applicant's 26-inch line in that location.

(7) To construct and operate, at and northward of Applicant's Greenville Mississippi Compressor Station, approximately 6.76 miles of 30-inch pipeline which will loop Applicant's 26-inch line at that point.

(8) To construct and operate, north of Applicant's Clarksdale Mississippi Compressor Station, approximately 7.56 miles of 30-inch pipeline which will extend in a northeasterly direction the proposed 30-inch line [1] looping Applicant's 26-inch line in that location.

(9) To install and operate one 1,500 hp. compressor unit at Applicant's Covington Tennessee Compressor Station which is presently rated [4] at 10,500 hp.

(10) To construct and operate, southeast of Robinson, Illinois, approximately 3 miles of 6⅝-inch O. D. pipeline which will extend the existing 6-inch line looping Applicant's 4-inch existing line at that point.

(11) To construct and operate at Hickory School Storage Field, Kentucky, approximately 1 mile of 6-inch loop pipeline.

(12) To install and operate one 1,500 hp. compressor unit at Applicant's Jeffersontown Kentucky Compressor Station which is presently rated at 9,000 hp.

(13) To install and operate one 1,320 hp. compressor unit at Applicant's Dillsboro Indiana Compressor Station which is presently rated at 7,920 hp.

(14) To remove, from Applicant's presently rated 560 hp. Niagara Kentucky Compressor Station, one 100 hp. compressor unit and to relocate and operate the same at Applicant's presently rated 590 hp. Oaktown Storage Field Compressor Station in Indiana.

The total capital cost of these facilities is estimated to be $6,233,000 to be financed through funds derived from short term bank loans, which will be repaid from permanent financing sometime prior to December 31, 1957.

The additional proposed pipeline capacity is required to enable Applicant to meet the estimated peak day demands of its existing aforementioned customers in the 1957-58 winter season, principally for residential and commercial use in markets presently being served.

Applicant desires to schedule the proposed construction coincidentally with the construction authorized in Docket No. G-8828 in order to make substantial savings in construction costs.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on Thursday, June 14, 1956, at 9:30 a. m., e. d. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

Protest or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 4, 1956. Failure of any

[1] The "proposed" natural gas facilities were authorized in Docket No. G-8828.

[2] Present rating includes one 1,500 hp. unit as authorized in Docket No. G-8828.

[3] Present rating includes one 2,000 hp. unit as authorized in Docket No. G-8828.

[4] Present rating includes one 1,500 hp. unit as authorized in Docket No. G-8828.

party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-4065; Filed, May 23, 1956; 8:47 a. m.]

[Docket No. G-10005]

TRANS-CAROLINA PIPELINE CORP.

NOTICE OF APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

MAY 18, 1956.

Trans-Carolina Pipeline Corporation (Trans-Carolina), a Delaware corporation with its principal place of business in Raleigh, North Carolina, filed an application on February 27, 1956, as supplemented on April 18, 1956, for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing construction and operation of a natural-gas transmission system to serve portions of eastern North Carolina and South Carolina now without such service with gas purchased from Transcontinental Gas Pipe Line Corporation (Transco), as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in its application which is on file with the Commission and open for public inspection.

Trans-Carolina states that it proposes to construct and operate a total of approximately 840.1 miles of pipelines consisting of main transmission lines and laterals, extending from a point on Transco's main line near Moore, South Carolina, in a general easterly direction through portions of South Carolina and North Carolina to the Tidewater communities. Trans-Carolina also states that service would be rendered at retail and wholesale in 40 communities in the general area bounded by or adjacent to the communities of York, Chester, Sumter and Florence, South Carolina, and Wilmington, New Bern, Rocky Mount, Smithfield, Southern Pines, Albermarle and Monroe, North Carolina; also, direct industrial sales are proposed to be made to nine customers and the necessary meter and regulating stations are included in the project.

Trans-Carolina further states that the market proposed to be supplied with natural gas consists of 40 communities, of which the largest is Wilmington, North Carolina. Thirteen of these communities have existing manufactured-gas distribution systems, which would buy natural gas from Trans-Carolina, while the remaining 27 have no gas service other than "bottle gas." In its supplement, Trans-Carolina submitted evidence in support of the economic feasibility of constructing and operating distribution systems in each such community by its Distribution Division.

Trans-Carolina alleges that the estimated total peak day requirement for all the communities for the second year of operation is 40,882 Mcf, and for the fifth year is 87,734 Mcf. Corresponding annual requirements are 13,902,716 Mcf and 26,018,179 Mcf, and that Transco proposes to sell 40,000 Mcf per day to Trans-Carolina from the facilities covered by its application at Docket No. G-10000.

Trans-Carolina also alleges that the cost of the transmission facilities, including meter and regulator stations, is estimated to be $21,656,100. In addition, the estimated cost of distribution system in all of the 27 communities not having such systems is $8,132,000 for the first year of operations and $8,789,000 for the third year.

Trans-Carolina's plan of financing, as submitted in outline, calls for the issuance and sale of mortgage bonds equal to 75 percent of the estimated cost of the property. An additional 10 percent will be provided through sale of interim notes and the final 15 percent will be provided through sale of common shares.

Trans-Carolina further alleges that the calculated return on the transmission system, based on the estimated sales, is 6.35 percent in the third year. Revenues are calculated at a city gate rate of $3.80 per Mcf of Contract Demand and $.30 per Mcf of Commodity Charge. Excess gas would be sold at $.425 per Mcf; also, average revenue from direct industrial customers in the third year is $.382 per Mcf.

Trans-Carolina finally alleges that the cost of gas to it is calculated at Transco's currently effective rate schedule, which is about 37 cents at 65 percent load factor, and the estimated rate of return on the investment in the distribution division is 7.8 percent in the third year.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 8, 1956.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-4066; Filed, May 23, 1956; 8:47 a. m.]

[Docket No. G-10061]

PIEDMONT GAS CO.

NOTICE OF APPLICATION FOR ORDER RE SALE AND DELIVERY OF NATURAL GAS

MAY 18, 1956.

On March 7, 1956, Piedmont Gas Company (Piedmont), a North Carolina corporation with its principal place of business located at Hickory, North Carolina, filed an application, pursuant to section 7 (a) of the Natural Gas Act, for an order directing Transcontinental Gas Pipe Line Corporation (Transco) to establish physical connection and to sell and deliver natural gas to Piedmont for distribution in communities presently supplied with propane-air gas and in other communities without gas service in an area extending generally northwest from Stanley to Morganton, and Lenoir, together with other communities in Gaston, Lincoln, Catawba, Caldwell and Burke Counties, North Carolina, all as more fully described in its application which is on file with the Commission and open for public inspection.

Piedmont states that it proposes to construct and operate a new transmission system composed of approximately 78 miles of 8-, 6-, 4-, 3- and 2-inch pipeline extending from a point of connection with Transco near Stanley, North Carolina, in a generally northwesterly direction to Morgan, North Carolina. From this line natural gas service will be supplied to the existing distribution systems in the communities of Hickory, Conover, Newton, Lenoir and Granite Falls both directly and through an existing inter-city transmission line, and also to distribution systems to be constructed by Piedmont in the communities of Lincolnton, Maiden, Valdese and Morganton. Sales would also be made to industrial customers located adjacent to the new transmission line.

Piedmont also states that all transportation and deliveries of gas would be made within the State of North Carolina. The North Carolina Utilities Commission issued, on February 27, 1956, a certificate of public convenience and necessity authorizing the construction and operation of the proposed facilities.

Piedmont further states that it estimates its third year peak day requirements to be 5,953 Mcf, of which it would purchase 5,500 Mcf from Transco. The balance would be supplied by peak-shaving facilities and Transco proposes to sell and deliver 5,500 Mcf per day to Piedmont from the facilities applied for in Transco's Docket No. G-10000.

Piedmont alleges that the total cost of all facilities to be constructed, including new distribution systems, is $2,659,864 and it will issue $1,800,000 principal amount of 5 percent First Mortgage Bonds. In addition, $450,000 face value of 6 percent two-year interim notes will be issued, convertible into 6 percent stock or cash at maturity, at the option of Piedmont. Common stock sufficient to realize $150,000 will be sold to Piedmont's parent company, Carolina Natural Gas Corporation.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before June 8, 1956.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 56-4067; Filed, May 23, 1956; 8:47 a. m.]

[Docket No. G-1705, etc.]

PANHANDLE EASTERN PIPE LINE CO. ET AL.

ORDER SEVERING PROCEEDINGS AND DIRECTING SALE AND DELIVERY OF NATURAL GAS

In the matters of Panhandle Eastern Pipe Line Company, Docket Nos. G-1705, G-1937, G-2433, G-2475 and G-8665; Missouri Public Service Company, Docket No. G-2057; City of Montgomery, Missouri, Docket No. G-2932; Town Gas Company of Illinois, Docket No. G-3159; Missouri Central Natural Gas Company, Docket No. G-4611; Village of Westville,

Illinois, Docket No. G-4666; Village of Pleasant Hill, Illinois, Docket No. G-4940; City of Waverly, Illinois, Docket No. G-5139; Village of Rossville, Illinois, Docket No. G-5979; Central Illinois Electric and Gas Company, Docket No. G-8428; City of Winchester, Illinois, Docket No. G-8431; Village of Franklin, Illinois, Docket No. G-8471; City of Hickman, Kentucky, Docket No. G-8526; Trunkline Gas Company, Docket No. G-8664; City of McLeansboro, Illinois, Docket No. G-8676; City of Vienna, Illinois, Docket No. G-8677; City of Clinton, Kentucky, Docket No. G-8771; City of LaCenter, Kentucky, Docket No. G-8888; City of Bardwell, Kentucky, Docket No. G-8939; City of Wickliffe, Kentucky, Docket No. G-8962; Lake County Utility District, Docket No. G-8963.

These consolidated proceedings, which arose on applications by Panhandle Eastern Pipe Line Company (Panhandle) and Trunkline Gas Company (Trunkline) for certificates of public convenience and necessity under section 7 (c) of the Natural Gas Act (act) involve, among other things, applications under section 7 (a) of the act by some 19 parties for orders directing Panhandle or Trunkline to establish connections with and sell natural gas to such parties. Twelve of the section 7 (a) applicants, namely Missouri Public Service Company, Docket No. G-2057; City of Montgomery, Missouri, Docket No. G-2932; Town Gas Company of Illinois, Docket No. G-3159; Missouri Central Natural Gas Company, Docket No. G-4611; Village of Westville, Illinois, Docket No. G-4666; Village of Pleasant Hill, Illinois, Docket No. G-4940; City of Waverly, Illinois, Docket No. G-5139; Village of Rossville, Illinois, Docket No. G-5979; Central Illinois Electric and Gas Company, Docket No. G-8428; City of Winchester, Illinois, Docket No. G-8431; City of McLeansboro, Illinois, Docket No. G-8676; and City of Vienna, Illinois, Docket No. G-8677, have filed motions to sever their applications from these consolidated proceedings and for immediate Commission decision thereon.

On the basis of the facts herein, we find that the public interest requires that the proceedings respecting the 12 section 7 (a) applicants enumerated above be severed from the above-entitled consolidated proceedings for the purpose of our rendering decision on the aforesaid applications. Some of these applications have been pending before us for a considerable time. Now, however, hearings have been concluded and the record is complete with respect thereto, as well as with respect to such other issues as have bearing on the question of the authorization sought by these applications. The Presiding Examiner has handed down his decision in which he determined that the aforementioned applications should be granted. No exceptions have been filed to these determinations of the Examiner, and time for filing exceptions has expired so that all objections thereto are waived.

Furthermore, many of the issues involving other than the section 7 (a) applications are complex and controversial and it cannot be said when they may be finally determined. No useful purpose would be served by postponement of decision on these applications until such uncertain future time as the other issues herein are finally determined. On the contrary, such action would be contrary to the public interest. Delay in final decision on the authorizations sought by the 12 section 7 (a) applicants would delay financing and construction of their facilities necessary to receive service and thereby perhaps delay applicant's usage of natural gas beyond the 1956-1957 heating season. This would postpone the initial revenues to be derived from the respective systems, and would deprive the communities involved, at least for a time, of the advantages of the natural-gas service which they want and can use.

Moreover, there is no obstacle to severing the proceedings respecting these applications and rendering final decision on them now. As mentioned, the record is complete with respect thereto, and all prerequisities to Commission authorization have been met. Panhandle and Trunkline have signified their willingness to supply volumes of gas to meet these parties' third-year peak demands. Also, Panhandle and Trunkline have been granted authority to construct the major pipeline facilities needed to serve applicants, and are willing and able to render the requested service. Decision now on the applications of the 12 parties in question will not prejudice any other party. In these and the other circumstances presented herein, we find that the applications of the 12 parties enumerated above should be severed from these consolidated proceedings and final decision on these applications be rendered forthwith.

Applicants' proposals. At the outset, it should be noted that the volumes of gas nominated by the section 7 (a) applicants constitute anticipated peak-day requirements for the fifth year of operation or later. However, in the circumstances of this case, applicants' estimates for the third year of operation constitute a sufficient and proper basis for our determinations hereinafter reached. This is so for the following reasons: an allotment of an applicant's peak-day requirements for the third year of operation should enable it to have a feasible project if the project is otherwise feasible; a greater volume allocation would tend to reserve to the applicant and correspondingly deprive other pipeline customers of the gas so allocated for an unreasonable length of time; and estimates covering a period beyond the third year of operation are correspondingly more speculative and uncertain. Also it is pertinent to observe that Panhandle is willing to deliver gas to the section 7 (a) applicants in question and in fact has entered into service agreements with Missouri Public Service Company and Missouri Central Natural Gas Company. Central Illinois Electric & Gas Company is an existing customer of Panhandle. Trunkline is willing to serve the cities of McLeansboro and Vienna.

Turning to applicants' separate proposals, Missouri Public Service Co. (Missouri Public Service), the applicant in Docket No. G-2057, is engaged in public utility operations in western and north-central Missouri. It supplies electric or gas service to approximately 148 incorporated municipalities and communities, and water service to a small number of municipalities. The company proposes to install a high pressure pipeline commencing at a point of connection with Panhandle's main pipeline system near New Franklin, Missouri, and extending in a northwesterly direction for a distance of approximately 109 miles. By means of this pipeline, applicant proposes to transport natural gas to 15 municipalities in Missouri now without natural gas service, namely: Glasgow, Dalton, Bucklin, Meadville, Utica, Salisbury, Brunswick, Brookfield, Wheeling, Chula, Keytesville, Marceline, Laclede, Chillicothe and Trenton. The 1950 U. S. census gives the total population of the 15 communities as 32,559. The two largest cities, Chillicothe and Trenton, have populations of 8,694, and 6,157, respectively. Missouri Public Service now serves propane air gas in Chillicothe and Trenton. The company proposes to rehabilitate and extend its distribution systems in these two cities, and to install and operate distribution systems in the remainder of the communities. The total estimated cost of the project, referred to as the "North Central Missouri Project," is $5,424,462. The company's outstanding securities as of October 31, 1954, amount to $7,304,041.

Missouri Public Service proposes to obtain additional financing in the amount of $11,800,000, part of which will be used to defray the cost of the project. Of the securities in such amount proposed to be issued, $8,000,000 will consist of first mortgage bonds covering substantially all of the properties of the company now owned or hereafter acquired, and the remainder will consist of common stock. The company estimates that its peak-day requirements in the third year of operation will be 18,208 Mcf, and its annual requirements in that year, 3,276,194 Mcf.

In Docket No. G-2932, applicant City of Montgomery, Missouri, proposes to install and operate a distribution system in Montgomery, and a lateral line, approximately eight miles in length, which will interconnect its system and a lateral line of the Panhandle system near Wellsville, Missouri. The estimated cost of the project is $320,000, to be financed by the issue and sale of gas revenue bonds. Montgomery has a population of approximately 2,000. This applicant estimates that its peakday requirements in the third year of operation will be 649 Mcf, and its annual requirements in such year, 61,010 Mcf.

In Docket No. G-4611, applicant Missouri Central Natural Gas Co. (Missouri Central) proposes to install and operate a lateral line commencing at a point of connection with a lateral line of Panhandle near Moberly, Missouri, and extending in a northerly direction for a distance of 23 miles to Macon, Missouri. The proposed lateral will pass adjacent to the unincorporated communities of Cairo, Jacksonville and Excello, Missouri. Missouri Central is now engaged in the distribution and sale of propane air gas at Macon. This company would serve Macon and the three unincorporated communities with natural gas. It would utilize and expand the existing distribution system at Macon, and would

construct distribution systems in the other three communities. In the first year, expenditures for construction work, franchises and permits would amount to $476,530; and in the four ensuing years there would be certain incidental expenditures. It is proposed that the necessary funds be raised by the issue and sale of $100,000 of common stock; $400,000 of 20-year first mortgage revenue bonds, payable from a sinking fund; and $60,000 of 15-year debentures—a total of $560,000. Of this sum, $65,000 will be used to liquidate outstanding obligations; and the remainder, $495,000, will be used to cover the construction costs and the other miscellaneous items. Macon has a population of approximately 5,000, and the three unincorporated communities a total population of some 541. This applicant's estimated peak day requirements in the third year of operation are 1,391 Mcf; and its estimated third year annual requirements, 196,684 Mcf.

In Docket No. G–4666, applicant Village of Westville, Illinois, proposes to install and operate distribution systems in Westville and in Unionville, an adjacent unincorporated community, and a one-mile lateral supply line which will interconnect with a Panhandle lateral line known as its Danville, Illinois, lateral. The estimated cost of the project is $459,156, to be financed by the issue and sale of gas revenue bonds. Westville and Unionville have a combined population of approximately 4,500. This applicant estimates that its peak-day requirements in the third year of operation will be 1,039 Mcf; and its annual requirements in that year, 90,095 Mcf.

In Docket No. G–4940, applicant Village of Pleasant Hill, Illinois, proposes to install and operate a distribution system in the village, and a lateral supply line, 1.6 miles in length, which will interconnect its system and Panhandle's main pipeline system. The estimated cost of the project is $160,000, to be financed by the issue and sale of gas revenue bonds. The population of Pleasant Hill is between 900 and 1,000. The estimated peak-day requirements in the third year of operation are 518 Mcf, and the annual requirements in that year, 38,143 Mcf.

In Docket No. G–5139, applicant City of Waverly, Illinois, proposes to install and operate a distribution system in Waverly and the contiguous area, and a lateral supply line, one-half mile in length, which will interconnect its system and Panhandle's main pipeline system. The total estimated cost of construction is $248,000, to be financed by the issue and sale of gas revenue bonds. Approximately 1,400 persons reside in the proposed service area. This applicant's estimated peak-day requirements in the third year of operation are 644 Mcf, and its estimated third-year annual requirements, 48,400 Mcf.

In Docket No. G–5979, applicant Village of Rossville, Illinois, proposes to construct and operate a distribution system in the village, and a stub line, 550 feet in length, which will connect its system and an adjacent Panhandle lateral line known as the Hoopeston Lateral. The proposed facilities will be constructed at an estimated cost of $208,195, and are to be financed by the issue and sale of gas revenue bonds in the amount of $210,000. The population of Rossville is approximately 1,500. This applicant estimates its peak-day requirements in the third year of operation as 643 Mcf, and its annual requirements in such year, 62,061 Mcf.

In Docket No. G–8428, Central Illinois Electric and Gas Co. (Central Illinois), proposes to construct and operate a distribution system in Delavan, Illinois, and a stub line 2,000 feet in length which will interconnect the system with Panhandle's Peoria lateral. The estimated cost of construction is $121,300. Central Illinois has long been engaged in a variety of utility services in Illinois, and will defray the cost from funds on hand. According to the U. S. census in 1950 the population of Delavan was 1,248. The estimated peak-day requirements for Delavan in the third year of operation are 626 Mcf, and the estimated annual requirements in that year, 63,630 Mcf. In addition, Central Illinois seeks an increase in the allocation of gas from Panhandle for natural-gas service which it now supplies to Lincoln, Illinois. The increase in winter contract demand requested is from 6,420 Mcf to 7,100 Mcf. By order issued October 5, 1955, the Commission granted this increase on a temporary basis, from December 1, 1955, to March 31, 1956.

In Docket No. G–8431, applicant City of Winchester, Illinois, proposes to construct and operate a distribution system in Winchester and the adjacent urban area, and a 4-inch lateral line 4½ miles in length which would connect that system and Panhandle's main pipeline system. The cost of the project, estimated by the applicant as $290,000, would be financed by the issue and sale of gas revenue bonds. The population in the proposed service area is approximately 2,000. This applicant estimates that its peak-day requirements in the third year of operation will be 613 Mcf, and its annual requirements in that year, 47,959 Mcf.

In Docket No. G–8676, applicant City of McLeansboro, Illinois, proposes to construct and operate a distribution system in McLeansboro and the adjacent urban area, and a lateral line approximately five miles in length which would interconnect its system and Trunkline's pipeline system. The estimated cost of the project is $405,000, to be financed by the issue and sale of gas revenue bonds. The population of McLeansboro is approximately 3,200. This applicant estimates that its peak-day requirements in the third year of operation will be 1,549 Mcf, and its annual requirements in such year, 203,658 Mcf.

In Docket No. G–8677, applicant City of Vienna, Illinois, proposes to construct and operate a distribution system in Vienna; and a lateral line, slightly less than a mile in length, which would interconnect its system and Trunkline's pipeline system. The estimated cost of the project is $115,000, to be financed by the issue and sale of gas revenue bonds. The population of Vienna is approximately 1,250. This applicant estimates that its peak-day requirements in the third year of operation will be 517 Mcf, and its annual requirements in such year, 67,073 Mcf.

In Docket No. G–3159, applicant Town Gas Co. of Illinois (Town Gas), a recently organized corporation, proposes to conduct business in two divisions, a Town Division and a Farm Tap Division. The Town Division only is the subject of Docket No. G–3159. In this Division, Town Gas proposes to supply natural-gas utility service in Virden, Girard and Thayer, Illinois, and the environs of each. The population of these communities is approximately 5,650. Applicant proposes to install and operate a lateral pipeline commencing at a point of connection with Panhandle's main pipeline system near Auburn Illinois, and extending southwardly for a distance of 11.2 miles, to terminate at Girard. Applicant proposes to install and operate distribution systems in the three communities. The estimated cost of the project is $416,747. Town Gas will finance its total initial capital requirement, estimated at $525,000 for both Town and Farm Tap Divisions, by the issue and sale of $275,000 principal amount of first mortgage sinking fund bonds having a 25-year maturity, $75,000 of preferred stock and $175,000 of common stock. The estimated Town Division peak-day requirements in the third year of operation are 778 Mcf, and the estimated annual requirements in that year, 90,167 Mcf.

The Commission's determinations. Section 7 (a) provides that the Commission may, if it "finds such action necessary or desirable in the public interest," direct a natural-gas company to establish physical connection and sell natural gas to "any person or municipality engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public," if the Commission finds that no undue burden will be placed upon such natural-gas company thereby provided that such action would not impair the ability of the natural-gas company to render adequate service to its customers. The criteria to be applied under section 7 (a)'s prescription of "necessary or desirable in the public interest" include whether the pipeline company is the applicant's most feasible source of supply; whether there is a public need for, and will be a public benefit from, natural-gas service in the areas involved; whether the proposed project can be financed; and whether the project is economically feasible.

With respect to the 12 applicants enumerated above the evidence establishes that these requirements of section 7 (a) of the act are met. Certain of these requirements can be disposed of briefly, without particular reference to individual applicants. In all of these proceedings, the facts establish that each of these applicants is now engaged or legally authorized to engage in the local distribution of natural or artificial gas to the public. Likewise the evidence establishes that Panhandle or Trunkline, as the case may be, is the most feasible source of natural gas for the applicants. The evidence further establishes that there is a public need for and that there

will be a public benefit from, public utility natural gas service in the cities, towns and villages which the applicants propose to serve. This need and benefit arise from the facts, among others, that all of the communities in question are without natural gas service; that natural gas is a clean, convenient and efficient fuel; that at the current prices of competing fuels, except that of coal in most instances, natural gas will afford a saving to the consumer, and generally will be attractive as compared with coal; and that other municipalities in the same general areas have natural-gas service, so that the communities in question may be placed at a disadvantage in attracting new residents and small industries.

Respecting the questions of financial and economic feasibility, as to which some fuller discussion is justified, the projects of Missouri Public Service and Central Illinois Electric and Gas may be considered separately from the projects of the remainder of applicants whose financing involves gas revenue bonds or sinking fund bonds.

As to Missouri Public Service, Docket No. G-2057, the evidence justifies the conclusion that its North Central Missouri Project can be financed. The record shows that Missouri Public Service has a favorable capital structure and record of earnings and dividends. The depreciated utility plant for 1955 was estimated by the company as $38,738,217. The total outstanding securities of the company, in the amount of $27,304,041, are in the ratio of 56 percent debt, and 44 percent equity. The total operating revenues for 1955 were estimated as $10,249,603. The present dividend rate on the common stock is $1.80 per share. The company proposes to increase the rate to $2.00 in 1956, and to $2.40 in 1960. The record further shows that said applicant has a history of ability to obtain money through mortgage, bonds, debentures and preferred and common stock. Also, the company's statement of anticipated cash flow indicates that the financing of the project is feasible. Letters from insurance companies and financial houses in evidence express interest in the proposed financing program.

Respecting economic feasibility, it appears that Missouri Public Service's estimate of the third-year-of-operation peak day requirements of 18,208 Mcf for its North Central Missouri Project is excessive. However, the estimate includes substantial "small industrial" sales in the interruptible category, which would be curtailable on a peak day and hence should not enter into a peak-day allocation, and is subject to other infirmities. Panhandle has entered into a contract with Missouri Public Service which provides for a contract demand of 11,000 Mcf for the first winter of operation. The Examiner considered that the volume allocated to Missouri Public Service should be 11,000 Mcf and we find that substantial evidence supports this conclusion which we adopt.

Missouri Public Service estimates that the rate of return on the North Central Missouri Project based on an 11,000 Mcf allocation will, in the first year of operation, be 1.42 percent. By this estimate, the revenue from the project will be sufficient for the operating expenses of the project and partial service on the debt related thereto. The testimony discloses that Missouri Public Service is willing to accept the fact that the project will not be fully self sustaining in the initial years. Furthermore, an existing public utility of the size and financial soundness of Missouri Public Service is in a far different position from most of the other section 7 (a) applicants in these proceedings. Missouri Public Service does not require the firm assurance of gas supplies beyond the initial year of operation, or the assurance of the project's economic feasibility, in order to enable it either readily to finance at low interest rates or to weather periods of low return, since the major portion of the existing and proposed future properties of the company consists of electric properties. Judging from the company's operating income in the past, as contained in the record, there will continue to be an adequate system rate of return. The bonds to be issued under the financing contemplated will be general obligation bonds, covering practically all of the company's properties. With regard to the interests involved other than bondholders, there is no reason to think that the project, once it has been installed, will be abandoned. Finally, it is a responsibility of the Public Service Commission of the State of Missouri to determine whether the North Central Missouri Project should be authorized when the result will be that a portion of the return from the company's other operations must offset any low return on such project, and the Missouri Commission has granted a certificate of convenience and necessity for the construction and operation of the project. We conclude that the application of Missouri Public Service to this Commission should be granted provided the volume of gas allocated to the company is limited to 11,000 Mcf.

As to the financial and economic feasibility of the Central Illinois project, Docket No. G-8428, which would be financed from funds on hand, the estimated cost of the Delavan distribution system contained in the engineering report on behalf of Central Illinois seems to be reasonable, and the estimated operating income conservative. If limited to an allocation of gas consisting of the estimated peak day requirements in the third year of operation, the project appears to be economically feasible. The evidence further shows that there is a need for the increased allocation of gas which Central Illinois requests for Lincoln.

Turning to the question of the financial and economic feasibility of those applicants which propose to finance by means of revenue bonds, the Presiding Examiner concluded that where financing is to be accomplished by this means, the debt service coverage affords "the most practicable and perhaps the best gauge of the financial and economic feasibility of the project," subject to certain qualifications and safeguards. Because of the heavy reliance the Examiner placed on this factor, it is appropriate to set forth his views somewhat at length. He concluded that where the debt-service coverage is adequate, the economic potential of the project permits latitude in operation between that estimated and that actually experienced, without placing the project in critical economic jeopardy. In his view, the coverage affords a safeguard against such contingencies as over-estimation of revenues; under-estimation of cost of construction and operation expenses; emergencies; untimely exhaustion of gas supply; and in a measure, increases in the wholesale price of gas. He emphasized, however, that the coverage ratio is of value only to the extent that the engineering report upon which it is based is reasonable, sound and reliable.

The Presiding Examiner pointed out further that the debt-service coverage ratio varies with the length of the maturity schedule of the bond issue. He considered that in the cases of the projects to be supplied by the Panhandle system, the maturity schedules, on the one hand, should not necessarily be limited to the 20-year period upon which Panhandle specifically based its gas supply showing; and, on the other hand, should not be extended beyond a period of 30 years. And he concluded that where the maturity schedule of a gas revenue bond issue is 30 years, and where the engineering estimates are reasonably reliable, the minimum debt-service coverage in order for the project to be considered economically feasible is in the range of from 1.6 to 1.7. However, he concluded that where the gas supply warrants a 30-year amortization schedule, and where, as here, the allotments of gas will be limited to the peak-day estimates in the third year of operation, the minimum coverage may reasonably be reduced to 1.5. It was pointed out that the risk of want of a market for such volume of gas is less than the risk of want of a market for the estimated volume in, say, the fifth year of operation.

In the cases of the projects to be supplied by the Trunkline system in question here—City of McLeansboro and City of Vienna—the Examiner concluded that the maturity schedules of the bond issue should not exceed 20 years, because of a shortage in availability of Trunkline gas. Limiting the allotment of gas to the estimated peak-day volumes required for the third year of operation, he concluded that the minimum debt-service coverage, if the projects are to be deemed economically feasible, should be 1.5.

In addition to the factor of debt-service coverage the Presiding Examiner recognized that other factors are to be taken into account in the case of a municipal enterprise, including the general character of the community, its credit standing and freedom from default on previous bond issues, and the experience of the municipality in the operation of other utilities. He found that in all of these respects, the showing of each of the applicants here in question was satisfactory. He adverted to still other factors testified to by witnesses as bearing upon the feasibility of a municipal gas distribution project, such as distance of

the municipality from the interstate pipeline, and the consequent cost of the connection and population.

We consider that, in the circumstances of this case and with respect to the 12 section 7 (a) applicants here in question, the approach followed by the Presiding Examiner, as described in the foregoing, is reasonable and appropriate. The questions whether the factor of debt-service coverage should be given the weight the Presiding Examiner apparently accorded it here and whether the coverage ratios and amortization schedules determined upon here should or should not be the same in other cases, must depend upon the facts of such other cases.

By the engineering estimates, and based upon a 30-year maturity schedule for the bond issues and a third year allocation of gas, the debt-service coverages for the following projects to be served by the Panhandle system are as follows:

Project	Debt-service coverage
City of Montgomery, Mo. (Docket No. G-2932)	2.13
Village of Westville, Ill. (Docket No. G-4666)	1.80
Village of Pleasant Hill, Ill. (Docket No. G-4940)	2.01
City of Waverly, Ill. (Docket No. G-5139)	1.96
Village of Rossville, Ill. (Docket No. G-5979)	2.82
City of Winchester, Ill. (Docket No. G-8431)	1.51

It will be seen that all of these bond coverages exceed 1.5.

In the cases of Montgomery, Westville and Rossville, generally speaking the engineering reports from which the coverages are derived appear fairly and reasonably to reflect the economic and physical capabilities, and the requirements, of the communities, as well as the projected operation of the projects. We find that the coverages, along with the other facts of the case, are such as to indicate that the projects are economically feasible. Although in the instances of Pleasant Hill, Waverly and Winchester, the engineering reports are perhaps too optimistic in certain respects, specifically in the rates of space-heating customer attachment, taken as a whole, the evidence relating to each of these projects is sufficiently persuasive to lead to the conclusion that their economic success is probable.

We find also that the Missouri Central project, Docket No. G-4611, to be served by Panhandle, appears economically feasible. It has been seen that the bonds involved are 20-year revenue bonds, payable from a sinking fund; and that a limited amount of stock and 15-year debentures are also to be issued. Here again, the estimates of income in the engineering report seem conservative, and the estimates of costs and expenses appear sound.

The Town Gas project, Docket No. G-3139, to be served by Panhandle, likewise appears to be economically feasible. It has been noted that the bonds involved are sinking fund bonds, maturing in 25 years, and that the financing will include the issue and sale of stock. On the basis of the gross income estimates in the engineering report, a 28-year period will elapse before all of the bonds are retired. However, the bond interest coverage is substantial, being 2.98 times based on a third heating season allocation of gas. The engineering report appears sound, and the estimates of income appear conservative.

Turning to the projects to be served by the Trunkline system, by the engineering estimates, and based upon a 20-year maturity schedule for the bond issues and a third-year allocation of gas, the debt service coverages for City of McLeansboro, Illinois, Docket No. G-8676, and City of Vienna, Illinois, Docket No. G-8677, are 2.35 and 2.74, respectively. These bond coverages are well above the minimum of 1.5, and the engineering estimates seem to be reasonably sound. Bond ordinances of the two municipalities will provide for a mandatory call and prepayment of bonds from surplus revenues; so that, if the earnings projections are realized, the bonds will be retired at the expiration of 20 years. On consideration of these and the other facts in the record, the projects thus appear to be economically feasible and we so find.[1]

The evidence of record herein justifies the conclusion that an order requiring Panhandle to render service as herein specified to the section 7 (a) applicants already enumerated, will place no undue burden upon Panhandle. Nor will Panhandle be required to enlarge its transportation facilities for such purpose. Nor will Panhandle's ability to render adequate service to its present customers be impaired.

The evidence likewise justifies the conclusion that an order requiring Trunkline to render service, as hereinafter specified, to the section 7 (a) applicants seeking service from it whose applications are hereinafter granted, will not place an undue burden upon Trunkline, or require Trunkline to enlarge its transportation facilities for such purpose, or impair its ability to render adequate service to its customers.

The Commission further finds:

(1) It is necessary and desirable in the public interest that the proceedings respecting the 12 section 7 (a) applicants hereinbefore enumerated, namely, Missouri Public Service Company, Docket No. G-2057; City of Montgomery, Missouri, Docket No. G-2932; Town Gas Company of Illinois, Docket No. G-3159; Missouri Central Natural Gas Company, Docket No. 4611; Village of Westville, Illinois, Docket No. G-4666; Village of Pleasant Hill, Illinois, Docket No. G-4940; City of Waverly, Illinois, Docket No. G-5139; Village of Rossville, Illinois, Docket No. G-5957; Central Illinois Electric and Gas Company; Docket No. G-8428; City of Winchester, Illinois, Docket No. G-8431; City of McLeansboro, Illinois, Docket No. G-8676; and City of Vienna, Illinois, Docket No. G-8677, be severed from these consolidated proceedings and final decision on these applications be rendered forthwith.

(2) Panhandle Eastern Pipe Line Company, a Delaware corporation having its principal office in Kansas City, Missouri, is a "natural-gas company" within the meaning of the Natural Gas Act, as heretofore found by the Commission (4 F. P. C. 1081, 1083).

(3) Trunkline Gas Company, a Delaware corporation having its principal office in Houston, Texas, is a "natural-gas company" within the meaning of the Natural Gas Act, as heretofore found by the Commission (9 F. P. C. 721, 737).

(4) It is necessary and desirable in the public interest that the Commission by order direct Panhandle to establish physical connection of its transportation facilities with those of each of the following applicants and direct the delivery and sale of natural gas by Panhandle to such applicants: Missouri Public Service Company; City of Montgomery, Missouri; Town Gas Company of Illinois; Missouri Central Natural Gas Company; Village of Westville, Illinois; Village of Pleasant Hill, Illinois; Village of Waverly, Illinois; Village of Rossville, Illinois; Central Illinois Electric and Gas Company; and City of Winchester, Illinois.

(5) Panhandle shall deliver and sell to each applicant its requirements of natural gas not to exceed the following stated amounts:

Applicant	Maximum daily requirement (Mcf)
Missouri Public Service Co	11,000
City of Montgomery, Mo	649
Town Gas Co. of Illinois	895
Missouri Central Natural Gas Co	1,391
Village of Westville, Ill	1,039
Village of Pleasant Hill, Ill	518
City of Waverly, Ill	644
Village of Rossville, Ill	643
Central Illinois Electric & Gas Co. (for City of Delavan, Ill.)	626
City of Winchester, Ill	613

(6) It is necessary and desirable in the public interest that the Commission by order direct Trunkline to establish physical connection of its transportation facilities with those of City of McLeansboro, Illinois, and City of Vienna, Illinois, and direct the delivery and sale by Panhandle to each applicant of its natural gas requirements not to exceed the following stated amounts:

Applicant	Maximum daily requirement (Mcf)
City of McLeansboro, Ill	1,549
City of Vienna, Ill	517

(7) The above-named applicants are persons or municipalities engaged or legally authorized to engage in the local

[1] Of course, these findings do not constitute an endorsement of the foregoing projects, nor is endorsement given to any estimates, fees, or projected method or manner of operation contained in the engineering reports or shown by the testimony. Investors in the securities to be issued must exercise their own judgment upon these questions. As we stated In re Carolina Natural Gas Corp., 10 F. P. C. at page 515, "the Commission can assume no responsibility to potential buyers of securities with respect to the success or failure of a (local) distribution system."

distribution of natural or artificial gas to the public.

(8) The requirement that Panhandle and Trunkline serve applicants, as set forth above, will not place an undue burden upon Panhandle or Trunkline, or impair their ability to render adequate service to their existing customers.

The Commission orders:

(A) The proceedings respecting the 12 section 7 (a) applicants enumerated in paragraph (1) above be and the same are hereby severed from these consolidated proceedings.

(B) Panhandle Eastern Pipe Line Company be and it is hereby directed to establish and maintain physical connection of its transportation facilities with the facilities to be constructed by applicants Missouri Public Service Company; City of Montgomery, Missouri; Town Gas Company of Illinois; Missouri Central Natural Gas Company; Village of Westville, Illinois; Village of Pleasant Hill, Illinois; City of Waverly, Illinois; Village of Rossville, Illinois; Central Illinois Electric and Gas Company and City of Winchester, Illinois; and to deliver and sell to said applicants through such connections their natural-gas requirements as hereinbefore set forth in volumes not to exceed the amounts set forth in paragraph (5) above.

(C) Panhandle shall report to the Commission in writing and under oath the date of commencement of operations and service to the respective applicants enumerated in paragraph (B) above.

(D) Trunkline Gas Company be and it is hereby directed to establish and maintain physical connection of its transportation facilities with the facilities to be constructed by applicants, City of McLeansboro, Illinois, and City of Vienna, Illinois, at appropriate points of interconnection, and to deliver and sell to said applicants through such connections their natural-gas requirements as hereinbefore set forth, in volumes not to exceed the amounts set forth in paragraph (6) above.

(E) Trunkline shall report to the Commission in writing and under oath the date of commencement of operations and service to the applicants enumerated in paragraph (D) above.

(F) Unless the section 7 (a) applicants enumerated in paragraphs (B) and (D) above, within the period of one year from the date on which this order issues, shall have constructed and placed in operation their respective projects to the extent of being able to receive service from Panhandle or Trunkline as the case may be, unless otherwise shown for good cause, said paragraphs (B) and (D) shall have no force or effect as to such applicants who have failed, within such period of time, so to construct and place in operation their projects.

Issued: May 18, 1956.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 56-4068; Filed, May 23, 1956; 8:47 a. m.]

GENERAL SERVICES ADMINISTRATION

Public Buildings Service

[Wildlife Order 36]

EAST POINT LIGHT STATION, HEISLERVILLE, CUMBERLAND COUNTY, NEW JERSEY

TRANSFER OF PROPERTY FROM UNITED STATES TO STATE OF NEW JERSEY

Pursuant to the provisions of section 2 of Public Law 537, Eightieth Congress, approved May 19, 1948 (16 U. S. C. 667c), notice is hereby given that:

1. By deed from the United States of America, dated April 10, 1956, that property known as East Point Light Station, Heislerville, Cumberland County, New Jersey, and more particularly described in said deed, has been transferred from the United States to the State of New Jersey.

2. The above described property is transferred to the State of New Jersey for wildlife conservation purposes (other than migratory birds) in accordance with the provisions of said Public Law 537.

F. MORAN MCCONIHE, *Commissioner of Public Buildings Service.*

MAY 17, 1956.

[F. R. Doc. 56-4085; Filed, May 23, 1956; 8:51 a. m.]

HOUSING AND HOME FINANCE AGENCY

Public Housing Administration

REGIONAL OFFICE ORGANIZATION

DESCRIPTION OF AGENCY AND PROGRAMS

Section I, Description of Agency and Programs, is amended as follows:

Paragraph F is amended to read as follows:

F. *Regional Office Organization.* The Commissioner, in administering the programs of the PHA, has established a decentralized organization, vesting primary responsibility for operating phases of the program in the Regional Offices wherever possible. Each Regional Office is headed by a Regional Director who is responsible to the Assistant Commissioner for Operations for the administration of all PHA activities in his area of jurisdiction. He is assisted by an Assistant to the Regional Director, who is responsible for activities relating to public relations and information, and by the following officials,[1] each of whom is responsible for the activities indicated in his title: Regional Attorney, Assistant Director for Development, Assistant Director for Management and Disposition, Regional Economist, Racial Relations Officer, Production Control Assistant, and Chief of Office Services. In the absence of the Regional Director, the following shall serve as Acting Regional Director in the Regional Office indicated: *Provided,* That in each Regional Office the second named shall so serve only in the absence of both the Regional Director and the first named:

Atlanta Regional Office:
1. John Jones Knudsen, Assistant Director for Development.
2. R. E. Bates, Assistant Director for Management and Disposition.

Chicago Regional Office:
1. Hugo C. Schwartz, Assistant Director for Management and Disposition.
2. Albert F. Muench, Regional Attorney.

Fort Worth Regional Office:
1. Clarence J. Stenzel, Assistant Director for Management and Disposition.
2. Karl Buster, Assistant Director for Development.

New York Regional Office:
1. Richard S. Pallesen, Assistant Director for Development.
2. John P. Prescott, Assistant Director for Management.

Puerto Rico Regional Office:
1. Alfredo T. Ramirez, Assistant Director for Development.
2. Theodore Goshen, Assistant Director for Management.

San Francisco Regional Office:
1. E. Stanton Foster, Deputy Regional Director.
2. Arthur L. Chladek, Assistant Director for Management and Disposition.

Washington Regional Office:
1. R. M. Little, Assistant Director for Management and Disposition.
2. Paul R. Boesch, Regional Attorney.

Date approved: May 16, 1956.

[SEAL] CHARLES E. SLUSSER, *Commissioner.*

[F. R. Doc. 56-4069; Filed, May 23, 1956; 8:48 a. m.]

ASSISTANT DIRECTOR FOR DISPOSITION, CHICAGO FIELD OFFICE

DELETION FROM LIST OF OFFICIALS

Section II, Delegations of Final Authority, is amended as follows:

Effective April 30, 1956, paragraphs E12 and E13 are amended by deleting from the list of officials designated therein "Assistant Director for Disposition, Chicago Field Office" and by inserting in place thereof "Assistant Director for Management and Disposition, Chicago Regional Office."

Date approved: May 16, 1956.

[SEAL] CHARLES E. SLUSSER, *Commissioner.*

[F. R. Doc. 56-4070; Filed, May 23, 1956; 8:48 a. m.]

[1] These officials will be found in a typical Regional Office. However, the organization of a Regional Office may vary according to its workload.

OFFICE OF DEFENSE MOBILIZATION

[Expansion Goal 16, Rev. 2]

NICKEL

TOTAL ANNUAL SUPPLY

1. The expansion goal for the U. S. supply of nickel (including both domestic production and imports) is hereby re-

vised and set at a total annual supply of 440 million pounds.

Dated: May 18, 1956.

OFFICE OF DEFENSE MOBILIZATION,
ARTHUR S. FLEMMING,
Director.

[F. R. Doc. 56-4079; Filed, May 23, 1956; 8:49 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-3471]

UTAH POWER & LIGHT CO.

ORDER AUTHORIZING BANK BORROWINGS

MAY 18, 1956.

Utah Power & Light Company ("Company"), a registered holding company which is also an operating utility company, has filed a declaration and an amendment thereto pursuant to sections 6 (a) and 7 of the Public Utility Holding Company Act of 1935 ("act") regarding the following proposed transactions:

Pursuant to a Credit Agreement to be executed by the Company and seventeen lending banks, the Company proposes to borrow, during the period beginning June 1, 1956 and ending July 15, 1957, not to exceed $25,000,000, as follows:

Name of lending bank	*Amount of commitment*
First Security Bank of Utah National Association	$1,750,000
Bank of Utah	75,000
Cache Valley Banking Co	60,000
Carbon Emery Bank	60,000
Commercial Security Bank	175,000
The Continental Bank & Trust Co	400,000
First National Bank of Salt Lake City	225,000
Union Bank & Trust Co	60,000
Utah Savings & Trust Co	150,000
Valley State Bank	60,000
Walker Bank & Trust Co	750,000
Zion's Savings Bank & Trust Co	450,000
The Chase Manhattan Bank	9,450,000
Guaranty Trust Co. of New York	2,700,000
Harris Trust & Savings Bank	935,000
Mellon National Bank & Trust Co	7,200,000
United States National Bank, of Denver	500,000
Total	25,000,000

Under the terms of the Credit Agreement, the loans will be made from time to time during said period as the Company's construction program requires, and will be evidenced by notes payable on October 15, 1957, which may be paid in whole or in part at any time prior thereto. Each note will bear interest at the prime commercial rate of The Chase Manhattan Bank, New York City, prevailing on the fifth business day prior to the date of such note.

The proceeds from such loans, together with other available cash, will be used to carry forward the system's construction program, estimated to cost approximately $41,000,000 for the years 1956-57 inclusive. It is the Company's present intention to issue and sell, during the second half of 1957, such additional securities as may be required to discharge the aforesaid bank loans and to finance in part the remainder of the 1957 construction program and carry it forward into 1958, maintaining approximately the present debt-equity ratios.

The Idaho Public Utilities Commission, the regulatory commission of one of the three States in which the Company operates, has approved the proposed borrowings. It is stated that no other State commission, nor any Federal commission other than this Commission, has jurisdiction in the premises.

Due notice of the filing of said declaration having been given in the manner provided by Rule U-23, and no hearing having been requested of or ordered by the Commission; and the Commission finding that the applicable standards of the act and the rules thereunder are satisfied, and deeming it appropriate in the public interest and in the interest of investors and consumers that the declaration as amended be permitted to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, that said declaration as amended be, and hereby is, permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 56-4074; Filed, May 23, 1956; 8:48 a. m.]

[File No. 70-3474]

PENNSYLVANIA POWER CO.

ORDER AUTHORIZING ISSUANCE OF BONDS FOR SINKING FUND PURPOSES

MAY 18, 1956.

Pennsylvania Power Company ("Company"), an electric utility subsidiary of Ohio Edison Company, a registered holding company, has filed an application and an amendment thereto pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935 ("act") regarding the following proposed transactions:

In connection with satisfying the sinking fund requirements of its indenture, the Company will issue $397,000 principal amount of First Mortgage Bonds, 3¼ percent Series due 1982, under its Mortgage Indenture dated November 1, 1945, to The First National Bank of the City of New York (now The First National City Bank of New York) as amended and supplemented. Said bonds will be authenticated by the Trustee and delivered to the Company in two installments, on the basis of unfunded net property additions aggregating $661,667, and they will forthwith be surrendered to the Trustee for cancellation in consideration of the return by the Trustee to the Company from the mortgage sinking fund of a like amount of cash, as follows: $197,000 of the bonds will be issued and surrendered in May 1956 (to recover cash deposited in the sinking fund on December 1, 1955), and $200,000 of the bonds will be issued and surrendered within six months after December 1, 1956 (to recover cash to be deposited in the sinking fund on December 1, 1956).

It is stated that the bonds will never constitute an obligation for the payment of money and therefore they will not be reflected on the Company's books or published statements as a liability.

The Company proposes to include the released cash in its general funds, in partial reimbursement for moneys expended for new construction and property betterments during the years 1951-55 inclusive.

The proposed transactions have been expressly authorized by the Public Utility Commission of Pennsylvania, in which State the Company is organized and doing business.

Due notice of the filing of the application having been given in the manner provided by Rule U-23 promulgated under the act, and a hearing not having been requested of or ordered by the Commission; and the Commission finding that the applicable provisions of the act and the rules thereunder have been satisfied and that no adverse findings are necessary, and deeming it appropriate in the public interest and in the interest of investors and consumers that said application as amended be granted, to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, that said application as amended be, and hereby is granted, effective forthwith, subject to the provisions of Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 56-4075; Filed, May 23, 1956; 8:48 a. m.]

[File No. 811-616]

WEBSTER INVESTMENT CO., INC.

NOTICE OF APPLICATION FOR ORDER DECLARING THAT COMPANY HAS CEASED TO BE AN INVESTMENT COMPANY

MAY 18, 1956.

Notice is hereby given that Webster Investment Company, Inc. ("Webster"), has filed an application under section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company.

The following representations are made:

Webster, a Pennsylvania corporation, filed its Notification of Registration under the act on October 29, 1952, as a closed-end, non-diversified management investment company.

On April 30, 1956, pursuant to a vote of its stockholders and prior action of its Board of Directors, Webster effected a merger with its wholly owned subsidiary, Webster Investors, Inc., a Delaware corporation. Under the terms of the Merger Agreement the outstanding shares of Webster were converted into and became a like number of shares of Webster Investors, Inc., which company has filed a Notification of Registration under the Act as a closed-end, non-diversified management investment company.

Following the merger Webster has not engaged in any business and has no assets.

Notice is further given that any interested person may, not later than June 11, 1956, at 5:30 p. m., submit to the Commission in writing any facts bearing upon the desirability of a hearing on the matter and may request that a hearing be held, such request stating the nature of his interest, the reasons for such request, and the issues, if any, of fact or law proposed to be converted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date, the application may be granted as provided in Rule N-5 of the rules and regulations promulgated under the act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 56-4076; Filed, May 23, 1956; 8:49 a. m.]

[File No. 812-1007]

ADAMS EXPRESS CO.

NOTICE OF APPLICATION FOR ORDER EXEMPTING ACQUISITION OF SECURITIES OF AN INVESTMENT COMPANY

MAY 18, 1956.

Notice is hereby given that The Adams Express Company ("Adams"), a closed-end, diversified investment company registered under the Investment Company Act of 1940, has filed an application pursuant to section 6 (c) of the act for an order exempting it from the provisions of section 12 (d) (1) of the act with respect to a proposed acquisition of certain shares of common stock of Petroleum Corporation of America ("Petroleum"), also a registered, closed-end, non-diversified investment company.

The investment policy of Petroleum is stated to be the concentration of investments in common stocks and other securities of corporations engaged in the oil industry or related industries or in interests in undeveloped or producing oil properties. Adams presently owns 16.52 percent (271,200 shares) of the common stock of Petroleum. On May 7, 1956, Petroleum informed its stockholders that it proposes to offer them transferable rights, represented by warrants, to subscribe for 328,400 additional shares of its common stock on the basis of one additional share for each five shares held. In addition, each holder of a warrant is entitled to the privilege of subscribing for additional shares of the Petroleum stock, subject to allotment, out of any shares not subscribed for pursuant to the exercise of the primary subscription rights. Such stock offering by Petroleum will not be underwritten and is expected to expire on or about June 11, 1956.

Adams desires and intends, subject to the granting of the instant application by the Commission, to exercise its rights as a stockholder to purchase shares of Petroleum together with subscription rights under any additional subscription privileges which may be available.

If all stockholders of Petroleum, including Adams, exercise their full rights pursuant to such stock offering the percentage of total outstanding stock of Petroleum owned by applicant will remain the same; 16.52 percent. If subscription rights of others are not exercised, however, the additional stock of Petroleum to be acquired by applicant, pursuant to its rights and additional subscription privileges which may be available, could result in the ownership by Adams of more than the 16.52 percent of the outstanding stock of Petroleum it presently holds.

Section 12 (d) (1) of the act, among other things, makes it unlawful for any registered investment company and any company controlled by it to purchase or otherwise acquire any security issued by any other investment company if such registered investment company and any company controlled by it own in the aggregate, or as a result of such purchase will own, more than 5 percent of the total outstanding stock of such other investment company if the policy of such other investment company is the concentration of investments in a particular industry or group of industries.

Adams has agreed that it will take immediate steps to divest itself of such of its shares of Petroleum as may be in excess of 16.52 percent of the total number of shares of capital stock of Petroleum issued and outstanding after completion of the offering of additional shares of Petroleum.

Section 6 (c) of the act provides, among other things, that the Commission, by order upon application, may conditionally or unconditionally exempt any person from any provision or provisions of the act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the act.

Notice is further given that any interested person may, not later than May 28, 1956, submit to the Commission in writing any facts bearing upon the desirability of a hearing on the matter and may request that a hearing be held, such request stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication or request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date, the application may be granted as provided in Rule N-5 of the rules and regulations promulgated under the act.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 56-4077; Filed, May 23, 1956; 8:49 a. m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

MAY 21, 1956.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 32112: *Scrap iron and steel—Knoxville, Tenn., Group to Chattanooga, Tenn.* Filed by R. E. Boyle, Jr., Agent, for interested rail carriers. Rates on scrap iron and steel, carloads from Knoxville, Tenn., and grouped points taking Knoxville rates to Chattanooga, Tenn.

Grounds for relief: Circuitous routes.

Tariff: Supplement 112 to Agent Spaninger's I. C. C. 1329.

FSA No. 32113: *Commodities from and between points in the South.* Filed by R. E. Boyle, Jr., Agent, for interested rail carriers. Rates on various commodities, as described in exhibit A of the application from and to specified points in southern territory, and from specified points in southern territory to specified points in official territory.

Grounds for relief: Carrier competition and circuity.

FSA No. 32114: *Magnesite—Carlsbad and Loving, N. Mex., to Norton, Ala.* Filed by F. C. Kratzmeir, Agent, for interested rail carriers. Rates on magnesite, dead burned and or calcined, carloads from Carlsbad and Loving, N. Mex., to Norton, Ala.

Grounds for relief: Short-line distance formula and circuity.

Tariff: Supplement 187 to Agent Kratzmeir's I. C. C. 4139.

FSA No. 32115: *Asphalt and road oil to Indiana.* Filed by F. C. Kratzmeir, Agent, for interested rail carriers. Rates on asphalt (asphaltum) and petroleum road oil, tank-car loads from specified points in Arkansas, Kansas, Louisiana, Missouri, New Mexico, Oklahoma, and Texas to specified points in Indiana, applicable only on traffic destined to Canadian points.

Grounds for relief: Origin grouping and circuitous routes. Supplement 61 to Agent Kratzmeir's I. C. C. 4150.

FSA No. 32116: *Lumber from El Paso, Tex., to Memphis, Tenn.* Filed by The Texas and Pacific Railway Company, for itself, and on behalf of the Illinois Central Railroad Company. Rates on lumber and lumber articles, carloads from El Paso, Texas to Memphis, Tenn.

Grounds for relief: Circuity.

Tariff: Supplement 10 to Texas and Pacific Ry. Co. tariff I. C. C. 4187.

FSA No. 32117: *Sugar between points in Official and Western Trunk Line Territories.* Filed by C. W. Boin and O. E. Swenson, Agents, for carriers parties to the Uniform Freight Classification No. A-3. Rates on returned shipments of sugar, beet or cane, liquid or invert, tank-car loads, or sugar, beet or cane, in bulk, carloads between points in official terri-

tory, including extended zone "C" in Wisconsin and western trunk line "Northwest" territory.

Grounds for relief: Rail competition, circuity, and to maintain grouping.

Tariffs: Supplement 399 to Agent Boin's tariff I. C. C. A-848 and ten other tariffs.

FSA No. 32118: *Potassium silicate from Cleveland, Ohio, to Baltimore, Md.* Filed by H. R. Hinsch, Agent, for interested rail carriers. Rates on potassium silicate, other than dry, tank-car loads from Cleveland, Ohio to Baltimore, Md.

Grounds for relief: Market competition and circuity.

Tariff: Supplement 172 to Agent Hinsch's I. C. C. 4542.

FSA No. 32119: *Petroleum coke from Illinois to Norton, Ala.* Filed by R. E. Boyle, Jr., Agent, for interested rail carriers. Rates on petroleum coke, carloads from East St. Louis, Federal, Roxana, and Wood River, Ill., to Norton, Ala.

Grounds for relief—Short-line distance formula and circuity.

Tariff: Supplement 284 to Agent Spaninger's I. C. C. 1062.

FSA No. 32120: *Clay within Southern Territory.* Filed by R. E. Boyle, Jr., Agent, for interested rail carriers. Rates on clay, kaolin or pyrophyllite, carloads between points in southern territory.

Grounds for relief: Short-line distance formula and circuity.

Tariff: Supplement 32 to Agent Spaninger's tariff I. C. C. 1491.

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F. R. Doc. 56-4029; Filed, May 23, 1956; 8:45 a. m.]

[No. 31980]

ABILENE & SOUTHERN RAILWAY CO.

TEXAS INTRASTATE RATES ON SUGAR

At a session of the Interstate Commerce Commission, Division 2, held at its office in Washington, D. C., on the 9th day of May A. D. 1956.

It appearing that a petition has been filed on behalf of the Abilene & Southern Railway Company and other common carriers by railroad operating in the State of Texas averring that the Railroad Commission of Texas, in its Docket 8368-R, by order dated August 3, 1953, which was sustained by the Supreme Court of Texas, and became effective March 1, 1956, required petitioners to reduce its rates on sugar from Sugar Land, Texas and other Texas origins to Texas destinations;

It further appearing that said petitioners allege that the observance by them of the rates established by the said order of the Railroad Commission of Texas causes and results in undue and unreasonable advantage, preference, and prejudice as between persons and localities in intrastate commerce, on the one hand, and interstate commerce, on the other hand, and undue, unreasonable and unjust discrimination against interstate and foreign commerce;

And it further appearing that the said petition brings in issue freight rates and charges made or imposed by authority of the State of Texas:

It is ordered, That in response to the said petition an investigation be, and it is hereby, instituted, and that a hearing be held therein for the purpose of receiving evidence from the respondents hereinafter designated and any other persons interested to determine whether the rates and charges of the common carriers by railroad, or any of them, operating in the State of Texas, for the intrastate transportation of sugar, made or imposed by authority of the State of Texas cause any undue or unreasonable advantage, preference, or prejudice as between persons or localities in intrastate commerce, on the one hand, and interstate or foreign commerce, on the other hand, or any undue, unreasonable or unjust discrimination against interstate or foreign commerce; and to determine what rates and charges, if any, or what maximum, or minimum, or maximum and minimum rates and charges, shall be prescribed to remove the unlawful advantage, preference, prejudice, or discrimination if any, that may be found to exist;

It is further ordered, That all common carriers by railroad operating within the State of Texas subject to the jurisdiction of this Commission be, and they are hereby, made respondents to this proceeding; that a copy of this order be served upon each of the said respondents; and that the State of Texas be notified of this proceeding by sending copies of this order and of said petition by registered mail to the Governor of the said State and to the Railroad Commission of Texas at Austin, Tex.;

It is further ordered, That notice of this proceeding be given to the public by depositing a copy of this order in the office of the Secretary of the Commission at Washington, D. C., and by filing a copy with the Director, Division of the Federal Register, Washington, D. C.;

And it is further ordered, That this proceeding be assigned for hearing at such times and places as the Commission may hereafter direct.

By the Commission, Division 2.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F. R. Doc. 56-4056; Filed, May 23, 1956; 8:45 a. m.]

J. ALEX. CROTHERS

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons Under the Defense Production Act of 1950, as amended," I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in the interests set forth in my statement of financial interests and business connections dated December 13, 1955 and published in the FEDERAL REGISTER December 29, 1955 (20 F. R. 10085):

A. Additions: None.
B. Deletions: None.

Dated: May 9, 1956.

J. ALEX. CROTHERS.

[F. R. Doc. 56-4086; Filed, May 23, 1956; 8:51 a. m.]

AUGUST W. FREY

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons Under the Defense Production Act of 1950, as amended," I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in the interests set forth in my statement of financial interests and business connections dated December 22, 1955 and published in the FEDERAL REGISTER December 29, 1955 (20 F. R. 10085):

A. Additions: None.
B. Deletions: None.

Dated: May 10, 1956.

AUGUST W. FREY.

[F. R. Doc. 56-4087; Filed, May 23, 1956; 8:51 a. m.]

KEITH H. LYRLA

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons under the Defense Production Act of 1950, as amended", I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in the interests set forth in my statement of financial interests and business connections dated December 13, 1955, and published in the FEDERAL REGISTER December 29, 1955 (20 F. R. 10085):

A. Addition to paragraph numbered (2) of my original statement: Illinois Central Railroad Company.
B. Deletions: None.

Dated: May 14, 1956.

K. H. LYRLA.

[F. R. Doc. 56-4088; Filed, May 23, 1956; 8:51 a. m.]

EUGENE S. ROOT

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons Under the Defense Produc-

tion Act of 1950, as amended," I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in the interests set forth in my statement of financial interests and business connections dated December 9, 1955, and published in the FEDERAL REGISTER December 29, 1955 (20 F. R. 10086):

A. Additions: None.
B. Deletions: None.

Dated: May 10, 1956.

EUGENE S. ROOT.

[F. R. Doc. 56-4089; Filed, May 23, 1956; 8:51 a. m.]

FRED R. WHITE, JR.

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

Pursuant to subsection 302 (c), Part III, Executive Order 10647 (20 F. R. 8769) "Providing for the Appointment of Certain Persons Under the Defense Production Act of 1950, as amended", I hereby furnish for filing with the Division of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in the interests set forth in my statement of financial interests and business connections dated December 19, 1955, and published in the FEDERAL REGISTER December 29, 1955 (20 F. R. 10086):

A. Additions to paragraph numbered (2) of my original statement:
Abrasive and Metal Products Co.
Reynolds Metals.
City of Portsmouth, Ohio.
City of Springfield, Ohio.
Erie County, Ohio.
Lake County, Ohio.
Tri-Dam Revenue.

B. Deletions from paragraph numbered (2) of my original statement:
Canadian Industries (1954) Ltd.
Columbia Broadcasting System.
DePont of Canada Securities, Ltd.
Pittsburgh Steel Corp.

Dated: May 11, 1956.

FRED R. WHITE, Jr.

[F. R. Doc. 56-4090; Filed, May 23, 1956; 8:51 a. m.]